China monthly Review

密勒氏評論報

Gang Rule of Transport Workers Ended

. . . K'E CHIA-LUNG

SHANGHAI PEOPLE'S COURT

. . . JOHN MULLER

LETTER FROM AN AMERICAN IN INNER MONGOLIA

Reports on State of the Nation by CHOU EN-LAI and CHEN YUN

NOVEMBER 1950 JMP 6,500

Minority Delegates Visit Peking

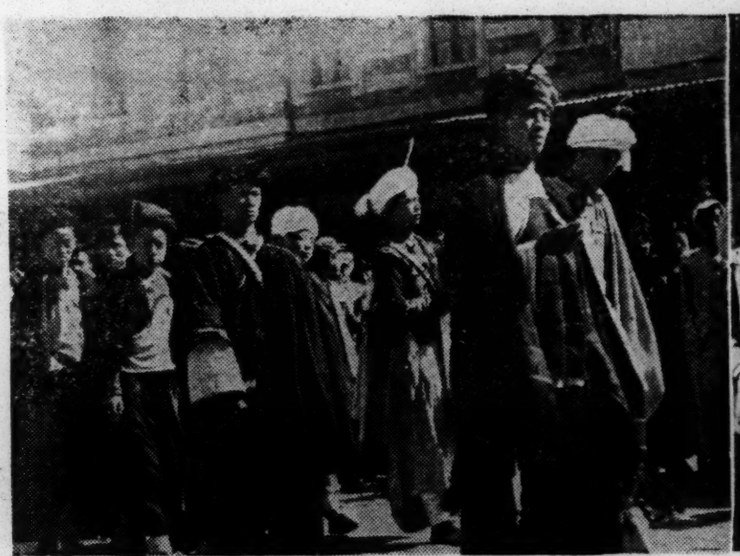
FOR the first time in China's history the country's numerous minority groups are being treated as equals with the predominate Han race.

The Common Program guarantees that there shall be no discrimination against minority groups, that no longer will minorities be treated as second class citizens.

In areas which are peopled by minorities, steps have been taken to see that they have adequate representation in all organs of government. Recently, teams of cultural workers, doctors and nurses have been sent to visit the various minority areas in the Northwest and Southwest.

The pictures on this page show members of some of the minority delegations who visited Peking for the celebration of the first anniversary of the establishment of the new government.

The delegation representing the Southwest minorities shown arriving at the Peking railway station.



Boys of the Sikang art troupe upon their arrival in Peking.

Delegate being greeted

Chairman Mao receiving gifts from delegation.

Girls of the Tibetan troupe walking out of the railway station.

LETTERS From the People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of the *China Monthly Review*.

TROUBLE IN THAILAND

To the Editor:

In August thousands of Vietnamese refugees living in different areas of Thailand were ordered to move to five northeastern provinces where they are to be restricted. The refugees were given until the end of September to complete the evacuation.

These were refugees who fled from the French colonialists during the distressful situation in 1946, and since then they have been living under deplorable conditions.

According to the **Bangkok Post** of September 13, the Under-secretary of Interior said this move was made because many Vietnamese refugees have undertaken military training, are holding political meetings and raising funds for the struggle in their home country. But how can such activities take place in Thailand where the law is far from favorable for the refugees?

Political changes in Thailand are probably the main reason for the endless difficulties of the Vietnamese refugees who are stubbornly determined to support the Viet Minh's people's government. Earlier this year, under American pressure, the Thai government recognized Bao Dai's puppet regime in Indo-China.

Damages caused by the evacuation plan will amount to tens of millions baht (Thai currency) for the refugees who were just beginning to create stable conditions for themselves. The Thai government's attitude will in no way alter the friendship and love that the refugees have for their own resistance government under the leadership of President Ho Chi-minh.

LEE SON

Bangkok
September 18, 1950

OPPRESSIVE ACTS

To the Editor:

In New Caledonia and New Hebrides there are some 2,000 Vietnamese refugees who came here before 1945 when Indo-China was still under French domination.

In 1945, when the Japanese surrendered and the independent Republic of Vietnam was formed, this news was warmly and enthusiastically received by all the Vietnamese refugees who formed their mutual associations within the framework of the country's laws, founded their own schools and adopted their national emblem.

On August 21, French Sureté officers armed with revolvers and rifles entered the Vietnam Workers and Peasants Association Club and school at Tagabe, New Caledonia and took away the picture of President Ho Chi Minh and the national flag. This same action was carried out against Vietnamese refugees the very same day at Chapuis and Port Vila.

This violation of the people's rights has caused great indignation among the Vietnamese aliens residing in the Islands.

J. O. S.

Tagabe, New Caledonia
September 2, 1950

YOUTH OF INDONESIA

To the Editor:

The Premuda Republic Rakjat Indonesia (Youth of the People's Republic of Indonesia) has recently sent statements to the youth of Korea and the youth of Viet Minh protesting against the encroachment of American imperialism upon these two lands.

We are solidly united with the progressive forces of Asia who are resisting US aggression. We strongly protest against the aggressive acts of world imperialism, led by the United States, in these two countries and express our strong sympathy with the people's fight for freedom and democracy in Korea and Viet Minh. We further declare that our proclamation of August 17, 1945, has been openly betrayed by our compradore bourgeois government.

HANDOYO, Chairman
Premuda Republik Rakjat Indonesia

Djakarta, Indonesia
September 20, 1950

WORLD YOUTH

To the Editor:

Our university is actively preparing to welcome the delegation from the World Federation of Democratic Youth. We have organized ourselves into many different groups. One group is practicing to sing famous Chinese songs. Another large group is preparing yangko and drum dances.

In my group, which is formed under the foreign language department, we have been translating several articles telling of the students' struggle under the Kuomintang and our present activities to promote international peace.

We Chinese youth firmly support the goal of the WFDY for a lasting world peace.

S. JOHN HAN

Fuh Tan University
Shanghai
September 25, 1950

A "SECRET" PROVINCE

To the Editor:

Sikang is generally regarded as a secret province in West China due to its remoteness. This province is very backward in its culture. Moreover, under the Kuomintang's false government, it became one of the most feudal provinces in the west. The warlords amassed huge fortunes in the opium trade and have taken the money back to their native places where they became large landlords. And by this policy of exploiting the province, the peasants and Tibetans are very poor.

Many changes have taken place here since our liberation. Motor traffic has been resumed on the Szechuen-Sikang Highway which runs through Kangting. Trade has increased greatly. The Tibetans are bringing in musk and furs and other valuable products, which are being sent from here to Chungking. The merchants in Kangting are selling much more tea to the Tibetan trade than they have in many years.

Now that conditions in the countryside are stable and the bandits have been wiped out, business and living conditions for people in this province will improve greatly.

H. S. LING

Kangting, Sikang
September 1, 1950

NEED TO LEARN

To the Editor:

We have been studying at school under New Democracy for more than a year. This does not mean just studying politics and holding meetings, as some people may think.

It is true that there are many more activities and meetings at our school now, but the whole emphasis is on learning. Since our responsibilities in the future will be great, we are all studying very diligently. For instance, before liberation about 10 or 20 percent of the students could not pass the English examination but last term everybody not only passed the English tests but also all courses, and most students had marks over 80 in every course.

The summer vacation this year at our school was very different from before. About 90 percent of the students came to school to continue their studies three days a week, reviewing mathematics and science. In the morning we studied very hard but the afternoons were free for sports.

Since some of the students are unable to pay all their tuition fees, the government provided them with work during the summer so they could continue their schooling. In this way not one student was unable to return to school this term.

Our school is one of the 32 high schools and universities in Shanghai which have been chosen

(Continued on following page)

CHINA MONTHLY REVIEW
J. B. Powell
(Editor & Publisher, 1918-1947)

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China monthly Review

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Cable Address:
"REVIEWING SHANGHAI"

JOHN W. POWELL
Editor and Publisher

Dear Review Reader:

This is the third issue of the Review in its new format as a monthly. Those of you who have read the September and October issues will notice a few changes in this copy. Most of them have been made in accordance with suggestions from readers.

Since our change from a weekly to a monthly, many readers have written that they missed our old weekly roundup of the domestic and foreign news. While we felt that a review of the month's news would not be so useful, we have added two short sections, China Notes and International Notes, which we hope will satisfy the needs of those readers who have been asking for more "news."

Another change has been in the typography. We have long felt--as have a number of readers--that the pages were a little too "solid." In last month's issue we experimented with a few pages, inserting a fraction more space between the lines. This seemed to improve the appearance of the pages somewhat and also made reading easier. Therefore, this month we have followed this practice throughout the magazine.

We hope that you will give us your opinions on these changes and will continue to suggest new ways in which you believe the Review can be improved. The Review is written for its readers, so the more advice we get from you, the better.

We have been sending out a large number of introductory copies of these past few issues to readers both in China and abroad. On the whole, response has been good. Circulation in China has increased substantially, while almost every mail from abroad brings in a few more subscriptions.

While these are all encouraging signs, we still need many more readers. A number of readers' subscriptions have expired and have not yet been renewed, many of the introductory copies we have sent out have not yet brought any response. If your subscription has expired, or if you haven't yet subscribed, do so now by filling out the enclosed subscription blank and mailing to us.

We'll do our best to make each issue of real interest and use to you. You can help greatly by giving us your ideas, suggestions, criticism, advice and by sending in your subscriptions promptly.

John W Powell

to elect a representative to the Shanghai Fourth People's Representatives Conference that opens next month. The election campaign is being very enthusiastically carried out.

CHEN WEN-NIEH

Medhurst College
Shanghai
September 24, 1950

MODEL HEROES

To the Editor:

Perhaps some of your readers abroad do not understand the significance of the Fighting Heroes' and Model Workers' Conference recently held in the capital.

The model workers' movement is being developed in every government organ, in all factories both private and public. Likewise all soldiers in the PLA are encouraged to become fighting heroes, and in turn these heroes are admired and loved by all their comrades. There are countless fighting heroes in the PLA and those who came to participate in this conference are their representatives elected in a democratic way.

New China wants more heroes and model workers to make it a progressive nation. But the old KMT China wanted individual heroes to work for their own self-interest at the expense of the interests of the masses of the people.

This movement is developing rapidly and it has become a movement of the masses on a nation-wide scale.

P. Y. WANG

Peking
October 7, 1950

INDUSTRIAL CENTER

To the Editor:

Much activity is going on in Taiyuan these days. New buildings and factories are being constructed. All the cement products produced here have been sold out and even the entire production for next year has also been placed on orders.

Especially since the autumn harvest, every shop is finding business quite prosperous. New shops are being opened and old ones enlarged and renovated.

There is a plan to make the city a metropolis of over 2,000,000 people in two or three years' time. This will mean that Taiyuan will become one of the big industrial centers of China, particularly for heavy industry, as it is fortunately situated where coal and iron are plentiful.

VINCENT CHANG

Taiyuan
October 13, 1950

SUGGESTS MORE NEWS

To the Editor:

Two departments I miss in the monthly Review are the former sections on national affairs and news of international affairs. Could they be resumed?

D. M. CHUNG

Hangchow
September 23, 1950

(When the Review changed from a weekly to a monthly, we felt that the "news" section would have less value, particularly in view of the time factor. However, during the past two months we have received a number of requests for more news. Therefore, in this issue we have included two new sections, International Notes and China Notes. We would like to have readers' reaction to these additions.—Editor.)

China monthly Review

密勒氏評論報

Established in 1917

The editorial pages present the opinions of the editor. The other pages of the *China Monthly Review* are written by the other members of the staff and the contributing editors who report and interpret the news irrespective of the views expressed in the editorials.

Vol. 119 Shanghai, November 1950 No. 3

THE WAR IN MALAYA

ALTHOUGH Britain's colonial war in Malaya is now well more than two years old and despite the expenditure of tens of millions of pounds and the employment of some 150,000 troops, the campaign to suppress the Malayan "insurgents" is just as far from success as when it began.

In fact, all the indications are that Britain's position is in many ways worse now than two years ago. Despite the implementation of a number of new "plans" by a number of new generals, the strength of the Malayan people's army is growing, while British losses are mounting. In the 18 months ending in June of this year, British casualties were estimated at 12,000 men, or slightly less than 10 percent of the total number of British troops in action.

Even British conservative opinion, which is committed to support of the war, is worried about the situation. Lord Mancroft, a Conservative MP and chairman of the Conservative Speakers' Association, who recently completed a month's survey trip in Malaya, told a *United Press* correspondent that the war was costing Britain about Straits $1,000,000 (approximately US$280,000) for every Malayan soldier "eliminated" and added that "the end is not yet in sight."

Faced with the prospect of eventual defeat, Britain's colonial overseers have reacted by increasing the savagery of their military operations against the Malayan people and at the same time have tried by thinly-disguised political trickery to split the people and play off one section of the community against the other.

On the military-police front, all forms of repression have been increased. More than 1,000 Malayans have been executed by shooting or hanging since hostilities commenced. In this same period more than 10,000 have been deported, while an additional 10,000 are in concentration camps. Villages have been razed by bombing and burning and the death penalty has been decreed for any civilian giving food or shelter to a Malayan patriot.

Almost daily the British high command issues communiques, such as the following one reported by *Reuter* on September 10: "Royal Air Force bombers today attacked *suspected* (our italics) Communist camps in the Johore jungle of Malaya for the second day in succession."

On the political-economic front, the maneuverings have been hardly less subtle. Officially-approved trade unions have been set up which, their British sponsors declare, will protect the rights of Malay workers. However, since these unions are forbidden to call strikes, to negotiate effectively for wage increases or to present workers' grievances, their membership is extremely low and is falling with each passing month.

Even in the educational field, the British intrigues are so apparent that they fail to hoodwink the people. In answer to demands for increased educational facilities, the British have replied with a "plan" for the future. Moreover, the "plan" calls for compulsory education in the English language!

It is significant to note that fulfillment of virtually all of these "promises" is predicated upon the people first giving up their fight for independence. The British in effect have said:

"Surrender your arms and recognize our right to govern Malaya as a colony and then we will consider granting you your independence at some future date when we feel you are entitled to it."

Such a program, especially when coupled with a military suppression campaign comparing favorably with the type formerly launched by the Japanese, can fool no one.

Day by day, week by week, the British come closer to the end in Malaya. Although Lord Mancroft said that he had been unable to find people who would be able to run the country when independence was achieved, the peoples of Malaya are rapidly proving not only that they are capable of running their own affairs but that they are capable of throwing the British colonialists out of the Empire's richest remaining colony.

UN RESOLUTION ON KOREA

ON October 7 the UN General Assembly passed by 47 votes to five the US proposal approving General MacArthur's attack north of the 38th parallel in Korea.

The fact that this measure passed the Assembly did not come as a surprise since it has been evident for some time that the US is able to muster enough votes from the ranks of its satellites to enable it to gain UN "sanction" for almost anything it may wish to do.

We would be naive indeed if we did not recognize the fact that the United States, by virtue of its economic power, is able frequently to force various other governments to vote the way it wishes them to, even though such votes may be against the other powers' better judgment. Certainly, for example, the US held up British recognition of the new government of China for several months. This disgraceful toadying on

the part of the British labor government became such an open secret that the press in both America and Britain remarked upon it.

If the US, through its economic power—as wielded through the Marshall Plan—can thus influence British foreign policy, is it any wonder that a whole raft of other, smaller governments take their cues in the UN meetings from the US delegate?

However, despite America's present ability to force the UN to follow the course laid down by Acheson and Dulles, the most cursory examination of the votes which the US is able to muster readily shows that America's international backing is rather less substantial than would appear at first glance.

In the first place, the vote of the Kuomintang representative, Tsiang Ting-fu, must be crossed off since he cannot by any stretch of the imagination be considered as a legitimate representative of the 475,000,000 people of China.

A close inspection of some of the other delegates will also reveal that they are not representatives of popularly-elected or popularly-supported regimes. In fact, the delegates of even the US, Britain, France and a number of the other major powers which supported the proposal cannot claim to represent the will of all the people in their respective countries since in all of these countries there are sizable numbers of people opposed to Truman's adventuristic foreign policy.

However, even if the votes of the remaining 46 delegates are allowed to stand, a look at the populations involved will show that not only is the majority not so overwhelming, but that it is not even a majority!

The total membership of the United Nations is 60 nations, representing 1,885,000,000 people. The combined population of the 46 nations (disregarding the KMT vote which represents nothing) voting in favor of the US resolution is 660,000,000. Thus, the resolution was passed by the votes of delegates accounting for no more than one-third of the people represented in the UN.

The situation becomes even clearer if we look at the population represented by the dissenting votes. To the five recorded votes against the US proposal, we must add the voice of China since the government of China, although still denied representation in the UN by virtue of American pressure, has publicly stated that it is opposed to the resolution.

The total population of the nations on record as opposing the resolution then comes to 722,000,000. Thus, we have a situation in which a resolution supported by the representatives of 660,000,000 people was passed although it was actively opposed by governments representing 722,000,000 people.

Looking at the matter still further, we can see that seven delegates abstained from voting, while one delegate reserved his vote. Therefore, it appears that the number of those not supporting the resolution must have been even greater. If we add the populations of these eight nations to those nations openly opposing the resolution we obtain a figure of 1,196,000,000 people!

No matter how one looks at these figures it is readily evident that America's "majority" in the United Nations is a chimerical thing.

* * *

AMERICA's "false majority" in the UN is not a recent development. Roughly this same situation has existed all along. (See accompanying box) The Soviet Union, China and India, which account for half of the earth's population, have less than 10 percent of the votes in the UN, while the US, representing less than 10 percent of the population of the world, is in actual fact the ruler of the UN.

How long the hundreds of millions of disfranchised people of the earth will continue to allow the world's highest organization to be run by and for the vested interests of a relative handful remains to be seen. However, as the peoples of a number of Asian countries have already demonstrated, when international redress of their grievances is not forthcoming, they take matters into their own hands.

What Makes a Majority?

This question was asked by many people at Lake Success when the U.S. threatened to oust Soviet delegate Malik (when the latter was chairman of the Security Council during August) on a charge of filibustering against the "majority." The U.S. newsweekly *National Guardian* provided an answer in the following table which shows the number of people for which each Security Council member speaks:

Cuba	5,000,000
Ecuador	3,000,000
Egypt	19,500,000
France	41,500,000
India	337,000,000
Norway	3,000,000
U.S.S.R.	212,000,000
United Kingdom	50,000,000
U.S.	150,000,000
Yugoslavia	16,000,000
Kuomintang "China"	0

The 475,000,000 people of China are unrepresented. Here are the vote majorities in terms of populations, showing what they would presumably have been had China voted:

1. *Should the question of China's representation be discussed?* (*Motion lost.*)

For: India, Norway, U.K., U.S.S.R., Yugoslavia	618,000,000
Against: Cuba, Ecuador, France, U.S., Chiang	199,500,000
Majority for	418,500,000
Majority for (with China)	893,500,000

2. *Should "peaceful settlement of Korean question" be discussed?* (*Motion lost.*)

For: Egypt, India, U.S.S.R.	568,500,000
Against: Cuba, Ecuador, France, Norway, U.K., U.S., Chiang	252,500,000
Majority for	316,000,000
Majority for (with China)	791,000,000

3. *Should "aggression against S. Korea" be discussed?* (*Motion carried.*)

For: Cuba, Ecuador, France, Norway, U.K., U.S., Chiang	252,500,000
Against: U.S.S.R.	212,000,000
Majority for	40,500,000
Majority against (if China had voted)	434,500,000

Gang Rule of Transport Workers Ended

Grip of feudal gangster chiefs who held power of life and death over Pengpu transport workers has been broken. Workers now have their own democratic union.

THIRTY years ago, Pengpu was a tiny, sleepy hamlet of seven households and one bachelor, on the Huai River in northern Anhwei province. When the Tientsin-Pukow railway was built, Pengpu became a communications center, and began to grow into a city. Today thousands of its residents make their living as transport workers.

Before liberation, Pengpu's transportation workers were victims of China's gang system of labor. The city was carved up into 18 "kingdoms," each ruled by a gang leader, who maintained his rule by force and terror. Gang "offices" were passed from father to son like feudal privileges.

Run as Secret Societies

Gangs were run as secret societies under sinister names, and the leaders' power extended even into the private lives of their underlings. When a leader's domain was challenged, he ordered his men out to kill or be killed, and endless feuds and bloodshed ensued.

Gang leaders invariably worked in collusion with KMT officials and local feudal forces. Kao Hsiang-shen, for example, was chairman of the bogus Transport Workers' Union. He and the KMT mayor of Pengpu were such good friends that the latter lived at his house. Kao extorted money from whoever he could to enrich himself and his friend the mayor.

The gang leaders ruthlessly exploited the workers, taking more than 40 percent of the workers' daily earnings for themselves. But the workers did not even get all of the remainder, a good part of which was shared out among KMT agents, policemen and local bullies. Shady connections with the labor bosses enabled these criminals to share the fruits of others' labor.

The workers thus received only half of their daily wages—but out of this had to come the many "special levies." They had to send presents to the bosses several times a year, and the Lunar New Year's gift was the heaviest, taking several days' entire earnings. They were frequently made to contribute sums for the entertainment or bribery of KMT officials. And on top of all this, they had to pay the innumerable taxes of the corrupt and insatiable KMT government.

Exorbitant Charges

No wonder that transport charges in Pengpu were exorbitant. A cargo unloaded from a barge to a nearby warehouse had to go through 13 groups of laborers. It cost as much to load goods from a warehouse to a train as it did to send them the 110 miles from Pengpu to Hsuchow by rail.

Luxurious living for the gangsters, poverty and chronic starvation for the workers, impediments to the flow of goods—such were conditions in Pengpu before the liberation.

* * *

I was one of the first union organizers assigned to organize the Pengpu transport workers, immediately after the liberation of Pengpu in December 1948. I gathered my information on past conditions in interviews with the workers over a long period of time.

Our primary task at the time was to mobilize the workers to send military supplies to the front in preparation for the crossing of the Yangtze River. Low transportation charges and efficient loading and unloading of supplies were required, and we found the workers most cooperative.

Meanwhile, we began to set up a new trade union for the transport workers. We enrolled all those who applied, and many former gangsters wormed their way into the union. Moreover, some managed to get themselves elected to positions of leadership and thus control the rank and file.

Under such conditions, the bad practices remained. Exploitation of the workers was not a bit lessened. For example, a large sum was demanded of a country woman for helping her board a boat. She could not pay, and three suits of her clothing were forcibly taken from her bundle as payment.

Early Mistakes

When we discovered these things, we felt that they should not go on any longer; we were over-eager to sweep away all the feudal practices at a stroke. Worse, we did not rely upon the masses of the workers to do the job themselves. We were too ambitious, tried to do too many things at once, and achieved nothing in the end.

We committed another blunder. We wanted to do something about the gang leaders making trouble behind our backs. So we set up a training course for them. We told them that feudal exploitation should be done away with, and they pretended to agree. We urged them to take part in the physical work, or to take some other job. Most of them chose the former course, but they managed to avoid manual labor by giving themselves such jobs as overseers or accountants. In this way, they legalized their positions as bosses, whereas we unionists should have outlawed their exploitation of the workers.

Since the labor bureau had not yet been established, all labor disputes were referred to the union for settlement. In mediating between two groups of workers, we sometimes offended one group or the other. Again, in settling disputes between workers and clients, we were compelled at times to curb what appeared to us excessive demands by the workers. All this led the workers, whose political level was then low, to distrust the union. which they thought should side with them, right or wrong.

At such times, the gangsters never missed the opportunity to discredit the union in the eyes of the workers. They said pleasant things to the workers, and made them lavish promises. They succeeded to a great extent in isolating the union from the workers, and we had to admit that we were fighting a losing battle against the gangsters.

In September, last year many new organizers were sent to reinforce us, and we decided to review our past mistakes and to adopt a new approach to our work.

First, we devoted our efforts to winning the workers' confidence. It was a hard job, because they still trusted the gangsters and at first didn't even want to talk to us.

Went to Workers

The workers didn't come to us, so we went to them, making friends whenever possible. We visited their homes, and came to know more about their lives and the workings of the gang system.

The gangsters tried all methods to obstruct us. One night, as I walked along the street, a stone was hurled at me. I saw a shadow vanishing into the darkness, and a voice said, "Next time, watch out for your life!"

After two weeks of strenuous work, when we had more than 20 active workers around us, the salt transport workers came to consult us. They were fed up with the corruption of their two bosses, who were in league with the railway station master, and wanted to sue them. They confessed that they dared not touch the station master, who had the support of another notorious gangster, Tsao Ma-tze. Tsao had only recently instigated a feud between two large labor groups, which had resulted in many casualties.

We suggested to them that they gather all the evidence against the four hooligans, and that, since Tsao was so influential, they must unite with the masses to fight against him.

Mass Rally Held

Together with the nucleus of active workers, we began an educational and organizational campaign, after which a mass rally was held to "settle accounts" with the gangsters. Tsao Ma-tze, the station master, and the two lesser bullies were asked to face the rally of 1,000 persons. Their victims came forward and accused them, and at last the gangsters admitted all their past crimes. The rally agreed to hand the culprits over to the court for trial and punishment.

With this initial success, our work progressed more smoothly. But we realized that the tottering feudal gang-labor system was far from total collapse, despite the downfall of Tsao Ma-tze's empire. To prepare the final direct attack on the system, we turned our attention to the task of educating the masses of the workers.

First, we set up a workers' political school. We recruited more than 90

students from the active workers and those most oppressed by feudal rule to train as future union cadres. We gave them courses on the class struggle, labor-capital relations and related subjects for three hours early every morning over a period of two months. In their free time, they were instructed to mix with their fellow workers and find out what their problems were; these problems were discussed in class the following morning.

Second, we organized evening schools for a great number of workers to learn to read and write. The worker-students were also given some political instruction.

Third, we founded clubs to provide the transport workers with healthful entertainment. Besides the other recreational activities, they were encouraged to sing and to act in plays. They put on a performance last New Year's day that was a huge success; both the audience and themselves were delighted.

As the workers' political level rose, they began to realize that unless they completely eliminated the gang system which strangled them, they would have neither bread nor peace. The more militant among them demanded combat with their exploiters, and chose as their chief target the most ruthless of all transport labor bosses in Pengpu, Chang Hsiao-yun.

Inherited "Kingdom"

Chang inherited his kingdom from his father. With Tsui Kan-chin, his chief assistant, he controlled 800 workers. He lived like a satrap on the 41 percent "cut" which he took directly from the workers' wages, plus his other extortions.

In 1945, he instigated a gang feud and ordered his men out to fight, promising them that he would take care of all the consequences. Two of his men were killed, but he didn't keep his word; their dependents received no compensation and were left to starve. However, he promptly said he would help several others who had merely been arrested. On the pretext of financing a lawsuit to free the men, he took up a collection among his workers, which amounted to 100 bags of flour and five tons of wheat. But there was no suit, those arrested remained in prison, and Chang was richer.

Another time, Chang spread a rumor that the KMT was about to reduce transportation charges drastically. The workers worried, but he reassured them. Naturally, he said, they didn't want to see their incomes go down, but he knew how to handle the matter. Hadn't he told them often enough about his influential friends in Nanking officialdom? He'd get them to block the rate cut. Of course, he would need money for traveling expenses, and a large bribery fund. . .

The workers were made to pay up. A few days later, Chang left Pengpu by train; but he didn't get off at Nanking. He went on to Shanghai, where he had a grand time. He then returned to Pengpu, having "successfully" kept the transportation charges up.

Chang held private court in his house, where he administered his own law. Any of his workers he caught breaking the rules he imposed would be brought to his "court" and given at least a flogging. He had many wives, and hardly a young woman in the neighborhood had escaped his attentions. Once he violated the wife of one of his workers; when the worker complained, Chang had him brought to his house to be tortured.

He served the Japanese invaders, and later was a KMT secret agent. At the very least, 10 patriots met death at his hands.

Accusation Meeting

These were some of the grievances brought against Chang Hsiao-yun and his assistant by the workers at an "accusation meeting," which was called after careful preparation by the workers and trade unionists. The backward workers required a good deal of explanation, persuasion and reassurance. Some were fearful of Chang's power and his future vengeance. But as they became clear about the policy of the people's government, they grew more resolute.

The court, with due legal process, convicted the two culprits on all counts put forth by the workers. They were sentenced to capital punishment, their property was distributed among their victims, and their houses were turned into schools for the workers' children.

Of the remaining 18 big-time gang leaders, a few met Chang's fate, some fled from Pengpu, while others were advised to make a clean breast of their past guilt before the workers. The people's government gives those who wish to wash their guilty hands and to start life anew, the opportunity to do so.

So the Pengpu transport workers won their decisive victory in the struggle against age-old feudal exploitation.

Workers Are Now Free

Today these Pengpu workers are free to work for themselves. They have voluntarily reduced transportation charges 20 percent, yet their real wages are considerably higher than before. They give good service, and as a result, one hindrance to the free flow of goods between city and neighboring villages has been removed.

Practically all the former undesirable practices have been swept away, and if the country woman who was treated so badly should return, she would no doubt be astonished to find the workers friendly and cooperative, and their charges fair and uniform.

We union cadres have reorganized the Transport Workers' Union, this time admitting only honest workers. Active and competent workers have been elected to union posts by democratic elections. Thus far, the union has 3,500 members, 80 percent of Pengpu's transport workers.

For the workers' welfare, a mess hall has been opened where meals are 20 to 30 percent cheaper than outside. A barber shop with a 50 percent discount for worker patrons has been set up. The union also organized a workers' consumer cooperative, flour mill, bathhouse and many schools.

The union has bought sewing machines for workers' family members' use, and have arranged with a tobacco company to supply the workers with unpackaged cigarettes. In return, the company has employed a number of the workers' dependants. In this way, the workers' income is augmented.

The most remarkable achievement was the founding of a state-run transport company, such as are now operating in all major cities through-

Shanghai Longshoremen's New Deal

SHANGHAI dockers in former days worked and sweated to unload the enormous cargoes coming into the city, but their return for such arduous work was little—only 15 percent of their "wages." The rest was split between gang leader No. 1, who took half, and gang leader No. 2, who took 35 per cent.

In the worst days of KMT rule, just before liberation, gang leaders paid the workers with post-dated checks. With run-away inflation, this meant the workers' wages were hardly enough to buy cigarettes.

There were 80 gang leaders in the city, who controlled the work and lives of all Shanghai's longshoremen. These gang leaders were part and parcel of the feudal and imperialistic system. Their positions were hereditary, some having been handed down for three generations. One family had exploited the workers for four generations.

Wages were never fixed. The workers never knew the rates paid by the shipping firms; these matters were handled by the boss, who collected all wages. Especially when foreign ships were unloaded, the workers' wages depended upon how the boss felt that day. If he was in a bad mood—as generally happened—their wages would go down.

In addition to exploiting the workers, the bosses turned to the shippers and consignees, and imposed up to seven surcharges in addition to the regular fees. Thus the gang labor system proved to be an obstacle in the way of trade.

* * *

BUT now, less than a year and a half after liberation, 40 of these bosses have been removed and uniform wages instituted for the workers. Recently, the workers who unloaded the s.s. Mausing received wages which were nine times the pre-liberation rate.

The workers now have their own union, with the recent organization of the Shanghai Municipal Committee of the China Transport Workers' Union. More than 130,000 transport workers of the city have joined the union, including wharf workers, longshoremen, truck and pedicab drivers and hand cart pullers.

out China. These companies organize labor in such a way as to give the workers maximum pay and its clients the best possible service. It plans a division of labor among those who work with hand carts, horse carts, or trucks, and porters.

All transport workers of a year's standing are eligible for work in the company, which is run in close co-operation with the union. The staff is elected from the body of workers, who are also represented in the management. The company takes a small commission from the workers' wages, of which 30 to 40 percent is spent on labor insurance and workers' welfare.

The company is housed in one of Pengpu's few imposing buildings, which was formerly a bank operated by KMT bureaucratic capital. Early this year, I was present at the opening day ceremony. I saw the workers' faces light up with joy as the heavy gate opened. Only little more than a year ago, in KMT days, their presence inside the building would have been considered sacrilege.

— K'E CHIA-LUNG

AMERICAN POWs OPPOSE KOREAN WAR

LONG LIVE THE FRIENDSHIP BETWEEN THE PEACE-LOVING
OF AMERICA
PEOPLE OF KORE
KOREA
HANDS
Stop The American Intervention in Korea Immediately!
LONG LIVE THE SOLIDARITY OF ALL THE PEACE-LOVING PEOPLES OF THE WORLD!
MEETING OF THE AMERICAN PRISONERS OF WAR IN PROTEST
AMERICAN

American prisoners of war in North Korea, both individually and in groups, have issued several protests against US intervention in the Korean civil war. Pictures show US war prisoners at one of the POW camps in North Korea holding a meeting at which a resolution of protest was passed. Upper picture shows officers of the meeting, while lower photo is a general view of those attending the session.

Meanwhile, press reports quote recovered American prisoners as reporting good treatment during their captivity. One such foreign press agency story from Tokyo on October 6 reported that "four American prisoners" who rejoined US troops just south of the parallel after a month's imprisonment were "full of praise for their treatment by the North Koreans."

Religious Groups Condemn U.S. Policy

SOLID support of the government and opposition to foreign imperialism has been voiced in no uncertain terms by leading Christians in China. More than 4,200 Chinese churchmen recently issued a nation-wide declaration bringing home this point.

Included in this declaration was a statement of general principles which declared that the Christian churches and institutions in China fully support the Common Program of the People's Political Consultative Conference. A pledge was also made to follow government leadership in opposing imperialism, feudalism and bureaucratic capitalism, and to take part in the building of an independent, democratic, peaceful and prosperous new China.

In calling upon the Christians of all China to put these general principles into effect, the declaration traced the past connection between Christianity and foreign imperialism in China. "... Not long after Christianity's coming to China, imperialism started its activities here; and since the principal groups or missionaries who brought Christianity to China themselves all came from these imperialistic countries, Christianity consciously or unconsciously, directly or indirectly, became related with imperialism. Now that the Chinese revolution has achieved victory, these imperialistic countries will not rest passively content in the face of this unprecedented historical fact in China."

All churches in China were called on to rid themselves of imperialist influence and to reform Christianity throughout the country. Church members were informed of the need to be on the alert against imperialist, especially American, intrigues to use religion as a means of fostering the growth of reaction.

At the same time, Chinese Christians were called on to take their place in the movement for peace and the church was asked to help educate all Christians to understand and support the government's policy of agrarian land reform.

In view of the near complete control of the Chinese church by foreign funds and staff throughout China's history, special emphasis was placed on the movement for autonomy, self-support, and self-propagation. Although a small measure of success in this drive has already been recorded, the movement is to go forward for complete success in the shortest possible time. Churches now dependent on foreign aid should draw up concrete plans which will enable them to become self-supporting in the near future.

Christianity in China is to go in for some soul-searching of its own. Churches and organizations are called on to lay emphasis on a deeper understanding of the nature of Christianity, closer fellowship and unity among the different denominations, and reform in the system of church organization.

In general work, the church is asked to stress education of an anti-imperialist, anti-feudalist, and anti-bureaucratic capitalism nature. In serving the people, Christians and their organizations should emphasize such forms of service as productive labor, cultural and recreational activities, literacy, medical and public health work, and care of children.

Following the issuance of this history-making declaration late in September, hundreds of Christians in China responded enthusiastically. The call to do away with foreign control evoked much favorable comment.

According to Chen Wen-ju, general secretary of the Peking Branch of the YWCA, "Only by cutting ourselves off from foreign imperialism can we attain true freedom of belief."

* * *

CHRISTIANS throughout China have taken an active part in the movement for world peace. The Stockholm peace appeal drive which, by the beginning of October, had netted more than 150,000,000 signatures was fully supported by Chinese Christians.

Among the representative statements on this subject made by Chinese Christian leaders was that of Chao Tse-chen, Dean of the College of Theology of Yenching University. He declared: "We must warn the imperialists in possession of atomic weapons that such weapons not only can kill other people but will end up by wiping out the imperialists themselves. I hope that all the peace-loving people in the world will defend world peace and oppose the use of atomic weapons with one will."

Early in October, 14 Christian organizations in Harbin issued a protest over American aggression in China. Three points were made: 1) The bombing and strafing of Northeast China by American planes in Korea. 2) Support of Foreign Minister Chou En-lai's statements against these American actions in China. 3) Support of the declaration of Chinese Christian leaders calling upon all Christians to actively help in the construction of a new China and to rid themselves of imperialist influences.

* * *

NOT only Christianity in China but all religions have aligned themselves solidly behind the government. Buddhist and Moslem leaders have joined in condemning American action in Taiwan and Korea. A formal manifesto signed by Christian, Buddhist and Moslem leaders was issued in September opposing American activities in these parts of Asia.

The manifesto, which was signed by more than 1,000 in Peking in the first three days following its issuance, stated that, "Taiwan is a part of Chinese territory and the liberation of Taiwan is the unanimous wish of the Chinese people. It has the same significance to the Chinese people as the Korean people's heroic struggle for the unity and freedom of their motherland. We take the stand that Asia's affairs should be solved by the Asian people and there is no place for American imperialism."

The government's Common Program has pledged the protection of freedom of religious belief. And from all over China people of all religious faiths are actively supporting their government.

Letter from Inner Mongolia

. . . . J. H. E.

IT'S afternoon here. We had quite a rain—the first one of any size we've had this spring. The sun's coming out now and a good brisk wind has come up.

If you stand on the wall you can see horses moving out across the grassland, groups of two or three—the people heading home from church. The wind is blowing the horses' tails. The people sit on the horses stiff and upright, bundled in so many Sunday robes that all you can see of the horse are his legs skidding along underneath and his tail waving behind in the wind.

It's a pretty sight to see when they come to church all decked out in robes and belts of brilliant red, green and purple and their head-dresses towering on top—all red stones and silver. The whole family fortune is carried on their heads—some must weigh ten pounds. No wonder they ride so stiff!

It's a pretty sight to see — for a tourist—for someone who can take a look and then go back to his own life anyway. But it gives you mixed feelings if you are working here; if you are trying to do something for progress in this barren sand-stripped prairie.

The art in it is something that shows the life and gaiety inherent in these people. You somehow want to preserve the art and at the same time detach it from its feudal origin.

* * *

SOME students, including some Mongolians, came to study at the farm. I was put in charge of them and so got to know them quite well. They were just like any other students the world over and I never thought of them as being different from me at all till suddenly one day one of them told me about his home. How was it that we could be so much alike and our backgrounds so different?

His family had two Mongolian "bows" — portable skin houses like the Indian teepees—and one mud house. They are nomads moving constantly with the cattle.

In his home now are his father, brother and three girls, two of whom are his brother's wives and the other his wife-to-be. The girls were bought when still babies and raised in the family of their future husbands, thus being part of the family all their lives. The two wives live together and according to the student they get along fine.

The family thinks it's about time for him to go back to his girl but he says he won't go. He left home mad at his father, who used up all the family money on a mistress.

The student's mother had died some years before, leaving him a horse and her head-dress. He sold the head-dress for food and two cows, which with his horse are his sole worldly possessions. When he marries he is supposed to give his head-dress to his wife which thereafter will be her property to dispose of as she wants. Usually she gives it to her son. But he figured on freedom of marriage and so got rid of the head-dress in a different way.

The writer, a young American woman, is a staff member of an experimental livestock farm in Inner Mongolia. Established since the liberation of the area from its old, feudal overlords, the farm is one of the many new projects designed to help the Mongolian people in their struggle for a better livelihood. Inoculation against animal diseases, as well as improving strains through the importation of blooded stock are some of the innovations gradually being introduced in this ancient land where abject poverty and complete dependence upon the whims of nature have long been the normal condition of the vast majority of the population.—Editor.

* * *

THE Mongolian cows started calving a couple of weeks ago so the women are all busy now milking and making cheese and butter. As we came here in September last year after most of the cows had stopped being milked, I didn't have a chance to learn how the women did their work.

The other day I asked one girl if I could come and watch when she milked. "Come tomorrow morning," she said. "What time?" "At dawn."

At 3:30 the next morning I set out for her place with a strong stick in my hands to beat off any dogs that might find me on the way. It's impossible to go anywhere around here without a stick for the dogs are really fierce.

This is a wonderful country, so open and free, and you can see so much of the sky, which is always different. In the early morning light the grassland looked especially green for it was all wet with dew.

On both sides of the horizon are banks of sand hills. Sometimes they are almost white, sometimes deep gray. In the early morning they are a warm soft red. Just after the sun comes up they are particularly beautiful: the east face turns white as it dies while the west is still red with dew. Thus, great sweeping patterns are formed across the dunes, slowly fading as the sun keeps getting higher.

When I arrived she had already milked two cows and was catching the third. At night they separate the cows from the calves. The calves are herded into a small pen made of vertical sticks, while the cows are left in a larger pen, the fence of which is made by digging a deep ditch and piling up the dirt on the other side. There is an old post in the big pen, all worn and knotty, where each cow in turn is tied by the horns for milking.

The girl walks among the cows, decides which one she wants, throws a lasso over her horns and pulls, pushes or gallops with her to the post. The cows sometimes give her quite a run, but she's always master in the end. It's quite a sight — the buxom healthy girl wrestling with the cows, her pigtails flying out behind.

After tying the cow up, she goes into the calf pen, picks out the cow's calf among the 30 or so calves in the pen, grabs it by one hind leg and drags it to the gate of the pen. At the gate she lets the calf free, whereupon he tears out among the cows in a frantic search for his mammy. If he is very little, he doesn't yet know that he can find her at the post and in his excitement shoots way beyond her. The girl then runs after him, and with much shooing and swishing guides him back. In case the youngsters of the family are up by that time, they also join the chase.

They say the milk won't come down unless the calf sucks for a while. As the calf is sucking, the girl feels the cow's udder. As soon as the milk begins to flow, she deftly hitches a rope around the calf's nose and with a quick jerk pulls him away. After tying him up to the post so close that he can hardly wiggle, she takes her tall brass pot and proceeds to milk.

She milks by "stripping" the cow with her thumb and forefinger. It's the only possible way to milk these cows for their teats are so terribly short. When I came she insisted upon my milking each cow. Each time, as soon as I was thoroughly covered with milk, she would take over and finish up. Those tiny teats, only about a half inch long, are miserable to milk.

The girl had a gay time watching me struggle. Actually it takes only about a minute or two to milk out a cow as they give at most only a quart or so of milk, usually only half a quart.

As soon as that cow is finished, she and her calf are let loose and the chase starts again. Thus to get 20 or 30 cows milked is quite a job and involves plenty of exercise. No wonder the Mongolian women look so strong and healthy.

The girl and I became fast friends. She called me "ja jay" meaning older sister and told me to call her "kukandu," or younger sister. I asked her to teach me a song. She laughed, and as she milked she began to sing a wonderful strange tune. I've heard it many times in these parts with all kinds of variations. I think the people just make up the words a lot of the time depending on how they feel. She sang, "The sun is coming up and the moon is going down—come big brother sit down and have a talk. . . ."

* * *

LATELY I've been going out to see how the women make butter. The first family I went to was that of a progressive Mongolian woman. She invited me for the night. She is one of the very few women around here who have bobbed hair and do not attend the Catholic church. Her husband and son have both joined the revolution, and she herself went away to "big places," as they say, saw a bit of the outside world and returned a staunch believer in the new society. The other members of her house all "believe"—at least they go to church, have long hair, and wear the usual head-dress.

She came and got me in the evening. We set out across the grassland at sunset, walking about four miles to her house. As we walked, she began to sing. It was the same song as the other girl had started teaching me.

We walked along singing this strange yodely song, past herds of horses — the new born colts all wobbly beside their mothers. Each herd had one stallion. He herds the mares. When you try to come too near he rounds them up and sends them all off at a gallop. Our voices sailed out over the prairie. The sky is so huge it makes you feel like singing at the top of your voice.

It was dark when we reached my friend's house and there was a small feast waiting. The house was full of youngsters about 10 years old. She explained they lived with her while they went to school. The Mongolian priest who lived nearby was teaching them. Though she didn't like the church, she was a fervent advocate for education and she took up any chance to get the children of the neighborhood to learn to read.

Five of them slept on the kang with us — two girls and three boys. Before going to sleep the woman took a guitar down from the wall and they all sang together — on and on — all sorts of wonderful songs.

In these Mongolian houses the kangs are tremendous, stretching the whole length of the room, maybe as much as 25 feet and over six feet wide. In the more wealthy homes they usually have embroidered rugs on them here and there. In the center is a metal bowl filled with hot cow manure ashes, on top of which sits a teapot. When guests arrive the tea, called "charwu" and consisting of a few tea leaves, hot water and a little fresh milk, is offered along with roasted millet, butter and cheese.

After singing, the "charwu" was passed around again, and then the youngsters rolled out their mats to go to bed. They slept in their clothes each using a big sheep-skin coat as a blanket.

Life is so simple. No sheets to wash, no pajamas, just one suit of clothes, a wool mat and a sheepskin coat.

I stayed with the family two nights and a day, and only in the end did I begin to make out what all the relationships were. It was one of the wealthier families. The house altogether consists of five rooms, four being connected as one unit and the other as a separate apartment. The door enters into the kitchen with two dirt stoves, one on either side. To the right is the living room with the big kang. To the left two smaller rooms in a row.

The last is occupied by the old blind mother. The next by the daughter-in-law, who as far as I could make out was the chief laborer of the house. She does practically all the work, prepares all the meals, works from sunrise to sunset without a stop. My friend lives in the living room with the overflow of youngsters, who can't all fit in the other two rooms, and any guests who happen along, male or female. She runs the house and entertains the guests.

The fifth room is occupied by a "poor family." This seems to be quite common here. The poor family works for the rich family in return for food and lodging. Besides the poor family, there was a hired girl and a little Chinese boy who herded the sheep.

* * *

EARLY in the morning they started churning. Each day the milk is poured into a big clay vase-like pot. When the pot gets nearly full, some hundred pounds of milk or so, it's time to churn and start a new pot going.

To get the right kind of sourness they leave a little of the old sour milk as a starter. In the spring when they start the first lot, they use a little cheese as a starter. Because of this Mongolian butter and cheese have a very special taste all their own. A "Mongolian" taste, as we say. The smell of the houses is somewhat the same.

In this house they churned the whole lot together, curd and whey. What a job! Three of us kept at it from sunrise till noon. They use about five pigskin disks clamped to the bottom of a pole with flat pieces of wood. The disks are about ten inches in diameter.

You stand over the pot which comes up about to your waist, grasp the pole with both hands and push it down through the milk with all your might, your back remaining stiff as a board and all the motion coming from the hips. The downward stroke is out over the bowl while the upward one is on the near side. Thus your arms move in a sort of ellipse up and down while your seat goes out and in like a jackknife opening and closing.

As the bottom of the pot is quite small, you have to get the motion right or the whole business will tip over. They held the pot for me as I churned, not quite trusting a greenhorn.

Well, the first 20 strokes seem easy enough, but by the hundredth the sweat is pouring down your face, and by the thousandth your hands have become one big blister and your back feels like you've been lifting a camel. This process is kept up for five or six thousand strokes, and in many of the houses there is only one person to do it.

* * *

THE next week I went again to my old friend "Kukandu" to help her "dung naidse," as the churning is called. This family is quite a bit poorer. She does all the work herself and her husband is in the army. She lives in her sister's husband's house doing the milking for him. Her sister died last year in childbirth leaving the house without a woman to do the work.

She says churning the curd and whey together takes too much time, so she scoops the curd off into a separate bowl and churns it separately. If I thougnt the other was hard I had seen nothing till I saw this.

She grasps the churning stick with her hands far apart and the end of

the stick pressed up under her armpit, spreads her feet wide apart and then goes at it with incredible vigor, her whole body swishing round and round in a huge ellipse. The up stroke is especially vigorous, the pigskin zooming up out of the curd with a hollow gulping sound at every stroke.

She soon set me to work. What energy it takes! She stripped off my jacket, took off my shoes and hat and said, "There now. That's more like it." I was immediately covered with white curd from head to foot. Curd in my hair, my eyes, my ears, and curd between my toes.

She was laughing so hard the tears were running down her cheeks, and as for me, I soon got so weak from laughter and churning that I flopped down on the kang in exhaustion.

This method only takes about 2,000 strokes, much quicker than the other. We each took turns "beating" 100 strokes a piece.

Finally she said, "Let's go outside and take a rest." I jumped at the chance with visions of lying down on the grass and looking calmly up at the clouds, but that wasn't her idea of a rest at all.

We had just gotten out the door when she said, "I bet you can't carry me!" "Climb on," said I jokingly—and bango — she leapt on my back. Well, there was nothing to do but go running out into the yard, jouncing her up and down as I went. She's a good big buxom girl and my legs soon got that macaroni feeling. I collapsed on the grass.

"Who can beat who wrestling?" she said, her eyes all sparkling with mischief. So we jumped up and had a go at it. We were about even—in the end I managed to get her down, and then collapsed for the second time exhausted. But nothing doing. "Come, let's get that churning done," she said, and so after our "rest" we went back in and "beat" the curd for another 500 strokes apiece.

* * *

THE next day I invited her over to milk our Jersey cow just for fun. The Jersey milks about 30 pounds a day, which is pretty good for these parts considering the food she gets. "Kukandu" was quite impressed when she saw the pail fill up. Two cows like that would milk about the same as her 30 cows, she said.

If you tell people how much our cows can milk, they won't believe it, but when they see the pail fill up, then they are impressed. Her family is pretty progressive anyway. They plan to breed their cows to our bull this year — one of the few families who have dared to try. I'm going to try to convince some more of the girls to come and milk our cows.

Report on Hongkong

Wang Tsung-yen

HONGKONG'S prosperity has always been of a flighty nature, largely dependent on the situation across the border, in China. The colony's last big fling took place in 1948-1949 on the eve of, and immediately after, the liberation of central and south China. Prior to the liberation of the big cities, thousands of wealthy Chinese fled to the British island.

Loaded with more money than they knew what to do with, these self-styled "refugees" played the seemingly never-ending game of speculation, built and bought expensive houses and, in general, went on a spending spree in Hongkong's many night spots and fancy eating establishments. In the Bakkok section, originally a deserted area, 800 palatial buildings were erected early this year, causing the price of land to jump from HK$2—HK$3 per square foot to HK$20—HK$25.

However, prosperity of such a variety is generally short-lived, and Hongkong is no exception. Business is tightening its belt; the cost of living is many times above that of the mainland; and, finding their position untenable, thousands of Chinese merchants, industrialists and even small-time ex-KMT officers have been trekking back to their homeland.

According to the *Far Eastern Economic Review*, a financial sheet backed by the British-owned Hongkong-Shanghai Banking Corporation, more than 100,000 people left the colony for the mainland just in the period from July 1 to July 10.

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A PERUSAL of the Hongkong press adds proof to the contention that business is bad. The highlights of the economic news are the shrinkage of exports, slack trade, unemployment, the backflow of Hongkong currency from south China and the exodus of Chinese.

For local merchants, foreign trade prospects are dim. In Burma, the dumping of Japanese goods has been a heavy blow to Hongkong manufacturers. The same is true for Thailand; while on Taiwan, American wheat flour has ousted the formerly popular Hongkong product.

It is only in the Philippines that the situation still remains a little better; import controls there have been temporarily relaxed. However, in view of America's foot in the door, some doubt exists in Hongkong as to how long this situation will last.

If there is any promising customer for Hongkong, it is China. In recent months the volume of trade between south China and the colony has increased appreciably. Exports from Hongkong in July amounted to HK$44,000,000, marking an increase of HK$15,000,000 over June. In the same month, imports from south China were HK$42,000,000.

* * *

DESPITE hard times, the island still is a paradise for Chinese reactionaries. After the liberation of Canton, it became a center of Kuomintang propaganda. Over 40 Kuomintang newspapers are issued, some are regular sized papers but the majority are "mosquito" sheets catering to the addicts of yellow journalism.

In the hope of duping the credulous, these newspapers concoct stories about China, which range from reports on taxes on incense-burners to teaching school children not to love their parents and sharing and distributing wives.

Regarding the activities of KMT army personnel, the Hongkong authorities radiate encouragement. Seven thousand "refugees," namely KMT soldiers, have been housed and fed by the local government at Tiewkiangliang, waiting for shipment to Taiwan.

Toward Chinese progressives in Hongkong, the attitude of the authorities has grown increasingly surly. More than 30 Chinese societies have been closed under one excuse or another. Two prominent labor leaders were arrested and deported. A prominent Hongkong textile man, who had been a member of the Hongkong-Macao Industrial Mission which toured Northeast China a few months ago, was reported to have been deported at the beginning of October. A Hongkong newspaper account said, "On his return he gave several talks eulogizing the Chinese Communist administration."

Chinese returning home from abroad have met with obstruction and insult, most noteworthy being the recent group of students returning from America. Upon docking, on the pretext that they had no other guarantee but that of the steamship company, the Hongkong government locked 30 of them in their cabins and severed their phone connections with friends on the island. The following day, they were escorted to the Chinese border.

For Chinese, the most important event in Hongkong in recent months has been the exodus back to the mainland.

A Tale of Two Ships

The California Bear

ON the evening of April 20, this year, the Pacific Far East Lines' *California Bear* was steaming through a heavy fog in the Bay of Pohai, headed for Taku Bar, just off Tientsin.

At about 10:00 p.m. the *Bear*, an 8,000-ton American freighter, rammed and sank the *Sing An*, a 2,000-ton Chinese coastal ship. The latter, ripped open amid-ship, went down in a matter of minutes, with the loss of 70 passengers and crew members.

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WHEN the *California Bear* arrived in Tientsin the next day, the local port officials instituted an investigation into the accident. Survivors of the *Sing An*, who had been picked up by the *Bear*, and crew members and officers of the American ship were questioned closely. On May 1, after completion of interrogation of the crew, but before an official ruling was handed down, the *California Bear* was released and cleared port. This was 10 days after the collision.

In due course an official court, after completing the investigation, handed down its decision: The accident was preventable. The blame rested upon the *California Bear's* captain who, the court found, failed to take normal precautions before the accident and who also failed to extend adequate aid following the accident. The Pacific Far East Lines was ordered to pay the equivalent of US$400,000 as compensation for loss of life and property. No criminal charges were filed against the captain or other responsible officers of the *Bear*.

According to the evidence given by some 20 survivors of the *Sing An*, the *California Bear*, which was equipped with radar and which should have been able to plot the course of the *Sing An*, made no effective move to avoid the collision. According to maritime regulations, it was pointed out, when a ship discovers the presence of another, she should change course and reduce her speed.

The *California Bear* took neither of these precautions. Instead, she maintained a steady course and a speed of 16 knots up to within a few seconds of the impact when the lights of the smaller, slower *Sing An* were seen emerging through the fog. That the officers of the *Bear* were not unaware of the nearby presence of the *Sing An* was brought out by the testimony that both ships had been blowing warning signals. The *Sing An*, it was disclosed, had been blowing her whistle continuously and proceeding at half speed. At the moment of impact, she was at a virtual standstill.

In addition, it was revealed that the *Bear* "took an unreasonably long time in rendering assistance to the drowning people and even did so in a most haphazard manner."

As might be expected, certain sections of the foreign press, in reporting the affair, omitted all mention of the actual facts of the case and contented themselves with references of "ransom" and implications that the fault lay with the *Sing An*.

Weeks after the incident, the foreign press in Hongkong was still claiming that the *Bear* was not at fault, basing its conviction on reports by "shipping circles" and hinting darkly at a "pledge to pay" which the captain of the *Bear* was alleged to have been forced to sign in order to secure the release of himself and his ship. At no point was any mention made of the court's findings or the testimony of the survivors.

However, any doubts as to the justice of the court decision were dispelled when the *California Bear* reached San Francisco and the crew had a chance to tell their story to the press.

The graphic, eye-witness account of Emmett N. Richardson, chief steward aboard the *Bear*, tallies surprisingly with the account given by survivors of the *Sing An*.

At about 9:30 p.m. Richardson, who was reading in his bunk, heard the whistle of another ship, apparently quite near. He went on deck but could see nothing in the fog, although from the sound, the two ships seemed to be approaching closer every minute.

Still the *Bear* did not slow down from its high speed. A few minutes before 10:00 p.m. lights of the *Sing An* were sighted through the fog about 150 feet distant. The *Bear* made a last-minute effort to avoid running her down and at the moment of impact, the skipper ordered the engines thrown into reverse. But the *Bear* hit the *Sing An* a glancing blow which opened up a ragged hole in her side, through which the water poured.

Seconds after the collision, the *Sing An* began to blow her "abandon ship" signal. Though the Bear had suffered only a scratch (no repairs were necessary), officers did not order the lifeboats let down. The *Sing An* sank in a little more than 20 minutes only a few feet from the American ship and her horrified crew members.

"The most dreadful thing about it were the cries of those poor people," said Richardson. "We heard them screaming all around us in the fog. Some of the crew members wept and tried to stop their ears so they couldn't hear."

At about the time the *Sing An* went down, one of her lifeboats pulled alongside the *Bear* and the seven survivors aboard pleaded for help. The *Bear's* officers finally ordered the boats let down—a half hour after the accident and after most of the 109 Chinese crew and passengers had drowned. But 32 men, women and children were pulled out of the water by the Bear's crew, including a mother with a baby on her back.

"Nobody knows why the skipper refused to slacken speed in the fog, particularly with another ship so close," said Richardson. "Nor can we figure out why the officers were so slow to let down the lifeboats. They have to answer those questions themselves."

The Caduceus

ON the morning of February 16, this year, the British ship *Caduceus* was preparing to weigh anchor in the Kuomintang-controlled port of Takao in Taiwan after unloading a shipment of American ECA goods for Chiang Kai-shek's refugee regime. However, just before sailing time, an official of the Kuomintang Seamen's "Union" boarded the ship and told the captain that he desired to inspect the papers of all Chinese among the ship's crew.

On the afternoon of September 20—just seven months later—the *Caduceus*, minus a number of Chinese crew members (one reportedly shot and the rest in jail for varying terms) limped back to Hongkong, manned by a skeleton crew suffering from dysentery and scabies contracted during months of imprisonment in Kuomintang jails.

Exactly what happened and why is not altogether clear in view of the fact that Chiang Kai-shek's Taiwan "government" has not seen fit to inform the public of the incident. The only information available comes from the crew and while they are as much in the dark as are the ship's owners as to the reasons for this illegal detention *without charge or trial* for more than a half year, they are quite well informed as to what happened to them.

According to the captain and crew this is what took place:

Shortly after the "union" official boarded the ship to "examine" the seamen's papers, a large number of uni-

formed men surrounded the ship. Thirteen crew members were taken away by these men, presumably under arrest. The remaining 50 crew members were locked up in a 16 foot by 12 foot room on the ship for three days. During this detention, the men were given one meal a day, and were allowed to go on deck for a a breath of fresh air once each day.

Beginning on February 20, these men were gradually taken ashore in small groups. By March 5 only the captain and three other officers remained on the ship. For the next seven weeks these remaining four men were kept aboard ship. After they had eaten all the ship's stock of food, they began eating up the emergency provisions stored in the ship's lifeboats. When this was finished, the guards consented to allow them to buy food from shore.

Later, the captain and other officers were periodically allowed to go ashore, each time under armed guard. The captain also was permitted to make three trips from the ship to visit the British consulate in Taipeh, each time under guard.

During this period the captain repeatedly wrote letters to the Chinese authorities asking for an explanation as to why his ship was detained, what had happened to the various crew members who had been arrested and taken ashore, why he was under guard and what, if any, were the charges against them. None of these letters was answered.

Finally the Kuomintang press on Taiwan carried a story saying that the ship was trying to smuggle gold and sugar from Taiwan to the Chinese mainland. However, the captain pointed out, the ship, which was making its first trip from Hongkong to Taiwan, had not been able to pick up a cargo for the return voyage and was preparing to return empty when seized.

Beginning on May 28 the Kuomintang authorities began releasing the crew in small groups, just as mysteriously as they had been arrested. However, of the total of 63 crew members arrested, only 53 were released. Of the remainder, according to a report in a Kuomintang paper, one had been executed while the remaining nine were sentenced to prison terms ranging from one year to 10 years. No account of a trial or even of charges was mentioned.

According to a Hongkong reporter who interviewed the crew upon their return, the 53 who managed to get back "all bore signs of malnutrition and looked like human skeletons. Most, if not all, suffered from dysentery and scabies."

On September 18, just seven months and two days after she had originally begun to weigh anchor, the *Caduceus* received her clearance papers—with no explanation for the detention, or for the treatment received or of the whereabouts of the missing crew members.

Viet-Nam Army Scores New Successes

For five years the People's Army of Viet-Nam has been waging a steady war of attrition against France's campaign to re-establish the old colonial order in Indo-China. As a result of the resistance, the People's Army now controls more than 90 percent of the countryside.

* * *

AT the end of September the French position in northern Indo-China became precarious. Following the smashing of the French defense line between Langson and Caobang, the French were forced to withdraw their forces from the provincial capital of Caobang.

In attempting to carry out this maneuver, the French massed the largest concentrations of troops they have yet employed in the five year-old war. First they reinforced the Caobang garrison by dropping paratroopers.

Next, they sent one of their best equipped forces, consisting of some 3,000 men, northward from the Langson-Thatkhe area to meet the withdrawing Caobang garrison, which, after being reinforced from the air, totalled 2,000 men. The French planned for the two columns to meet at Dongkhe and then retreat toward Langson.

However, the French once again underestimated the strength of the People's Army. This mistake cost the French the loss of both columns.

The relief force, under Colonel Lepage, on the second day ran into opposition and was encircled. After a fierce battle, the French managed to break through the encirclement and began to retreat. They were again surrounded however, and by October 7, just seven days after they began their march, the column was wiped out, all members either being killed or taken prisoner.

Meanwhile, the Caobang garrison, under Colonel Charton began its retreat. It ran into resistance after marching 20 kilometers. In the first engagement, the French were forced to abandon their supplies and take to the hills. This was the beginning of a several day running battle which ended with the annihilation of the column.

While these battles were in progress, French planes showered Viet-Nam positions with incendiary bombs and also dropped arms and food to the encircled French troops. In addition, a third column consisting of about 800 crack French troops were rushed into the area. They, too, were encircled, and partly destroyed by the People's Army, with only a portion of this force managing to escape.

In fighting between October 1 and 10 the Viet-Nam People's Army knocked out two French army units totaling approximately 5,500 men and captured five French outposts. The number of prisoners is estimated at 2,500.

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WHILE the main reasons for the victory are the improved fighting spirit and tactical ability of the Viet-Nam troops who have a just cause for which to fight, the deterioration of the French troops was also a factor.

The Indo-China war is not a popular war with the French people. In addition, a large number of the French troops are made up of foreign legionaires who are German war prisoners captured in Europe during World War II. It is a matter of record that the French offered these ex-German POWs their "freedom" if they would join the Foreign Legion.

The morale of these Germans, never good, has been deteriorating rapidly. Recently, the East German Government has offered to pay the passage back to Germany of all such German soldiers if they surrender to the Viet-Nam forces. A number of these German mercenaries have taken advantage of the offer.

Latest press dispatches from Paris and Washington report that France has appealed to the United States for immediate aid, warning that unless America is prepared to shoulder part of the responsibility of defending France's right to rule Indo-China as a colony, the French are certain to be driven out.

Indications are that military equipment and "advisers" will be forthcoming shortly. However, to date there is no indication that the Truman administration feels sure enough of itself to commit American troops to help France in her "dirty war" against the people of Viet-Nam. In any event, all signs point to further early successes by the People's Army and to eventual liberation of Viet-Nam.

Chengtu Since Liberation

A Canadian professor at West China Union University sums up the developments and changes which have taken place in Chengtu since the area's liberation.

WE have gone through a fundamental revolution, and yet there has been very little disruption of the various social functions and people's lives. In general everybody has carried on with his job.

Only in the top positions in government offices have new men replaced old. The others: learn, learn, learn. That word is heard over and over. Learn the New Democracy. Learn Marx-Leninism. Learn how to run your institution efficiently and economically. Learn the new democratic procedures. Learn how to live. And learn how to do all this by group thinking.

When the PLA arrived in Chengtu, it had on its hands a half million soldiers of the KMT armies in this area — far more than its own numbers. These troops have been learning through lectures, discussion groups and productive labor—working on roads, the new railway and reclaiming land for cultivation. Some of them have been taken into the PLA and have gone east to join in the liberation of Taiwan.

A more difficult task was the cropping up of bandits—armed bands led by KMT secret agents and reactionary Elder Brother Society members. Most of them deliberately tried to carry out sabotage. More than 60,000 have been taken prisoner during these past months in this section of the province. Only a few thousand remain. Their power is almost eliminated. But while they were active, many government political workers and soldiers were killed.

For the People

"The People" (jen min) are the first consideration. Every policy, every plan must be for the good of the people. The ideal of youth, the highest ethical standard, is to give oneself "for the people." Everything must fit the needs of the people — nothing for a privileged group or class. The will of the people must be carried out. And in order to find the will of the people, the people must have ample opportunity to express themselves—in small groups, in meetings, in the papers.

So although we are under a very strict military government as yet, the people are learning the fundamental democratic processes. And the government attentively listens to the people. Government leaders tell the government personnel that the way bureaucracy is avoided is to keep close to the people, and tell the people that they must be active in suggestions and criticism.

Criticism goes on everywhere. Mostly "self-criticism" — of our institution, or office, or party, or army unit, or school, or group or one's self. It is surprisingly objective on the whole, and when it tends to be subjective or selfish, it is immediately criticized.

Type of Criticism

And it is also surprising how, when it is given objectively, even when quite severe, it is accepted without feelings of antagonism or hurt feelings. The criticism is in regard to efficiency and honesty and whether the people is the norm, and whether policy and work are in line with the New Democracy.

For him who is a disciple of Marx and Mao it is an exciting atmosphere. For him who is interested to learn, it is full of interest and rewards. For him who inwardly rebels against communist philosophy, it is irritating or exasperating.

I have a feeling that some of the older people, especially those who have been brought up in a completely different ideology, are finding these days trying and very puzzling. (I am speaking of Chinese, of course).

They must find the constant stream of reference to Marxist ideas very irksome. And I am sure that they cannot accept all the deductive reasoning that seems to be the custom now. And any of those who have a lot of America in their make-up must not like the continual reference to the Soviet Union—from her China can learn, while America is the personification of the worst imperialism.

(Unfortunately, America seems to have adopted a policy which intensifies these attitudes. Her action in Korea and in regard to Taiwan has infuriated the Chinese and turned them even more toward the Soviet Union and made them even more determined to eliminate every trace of imperialistic influence in China's culture).

But as against the above attitude, China's youth feel very differently. They feel that they have been freed from a very stuffy atmosphere into the exciting brightness of a philosophy which gets somewhere, which is making a new and wonderful China for them, and which is thoroughly scientific and altogether acceptable.

Accomplishments are really amazing. We see them against the background of the last few years especially and in the light of the situation which the Kuomintang left when it collapsed. Industry and business were not seriously disrupted at the time of the turnover and in the months since the government has helped to get all the factories going again by helping them make labor-management accords, by lending capital to private enterprises, by adjusting taxes.

For the first six months of the year, unemployment was quite serious. There was a "natural" unemployment from the past, resulting from the KMT's long-term policy of collaboration with imperialist powers which hindered the growth of industry and forced the growing population to depend on agriculture by primitive methods. In addition, as conditions worsened in pre-liberation days, many organizations reduced their personnel. And on top of it all, there was a great influx into the city from the countryside as peasants tried to escape the KMT press gangs.

In March the new government said it was unable to solve the unemployment problem at present. It did not have sufficient resources. The authorities even refused to register the unemployed because they said it would give people a false hope that the government was going to solve this question. However, two weeks ago they began to register all the unemployed. A small percentage of the 8,000 who registered have already got jobs.

Inflation Conquered

Inflation was another terrible difficulty. It was conquered more than four months ago, and since then prices have been fairly steady, even dropping somewhat. This means that the people now have complete confidence in the currency and that the budget is balanced.

Corruption and bribery have gone! Instead of the top people in the government sending millions of US dollars abroad for safekeeping (I presume America still holds it safely for them) every year—much of it originally contributed by the American taxpayer, much more of it filched from the poor masses of China—the people in the present government live on extremely small salaries, austerely and rigorously.

But everyone gets what he ought to get, and so instead of the public

bus driver having his salary pinched by his bosses and therefore getting all he can from "yellow fish" (overload passengers who have not paid for a regular ticket but who "tip" the driver) who crowd the bus far beyond any comfort, this driver now sees that only those who have tickets are aboard and in their assigned seats.

He does not accept a bribe for a seat. His boss does not dare ask him for commission, for the driver would not fear to report it. And so it goes throughout all public and private enterprises. Everything is "open" and "criticism" is rampant.

Public Works

Overall public works are not to be expected at this early stage. However, the important things are dealt with vigorously. For instance, it was most important that the irrigation system of this part of Szechuen be rehabilitated before the summer rains. Thousands of soldiers and civilians worked on deepening rivers, canals, ditches, on repairing dikes. The work was splendidly organized and completed in good time.

And the long-planned and very urgent railway between Chungking and Chengtu is to be completed by the end of 1951. This railway project has had a long history and has had far more than enough money to complete it subscribed several times over. However, the money was invariably lost in the multiple process of "squeeze" and much of it, no doubts, is now in American banks under the names of such KMT gangsters as Chiang, Kung, Soong, Chen, Li and the rest.

It is said—and with justification — that when this government announces a date or a program they mean it. So I expect we will travel by rail from Chengtu when we leave on furlough in 1952. Street repairing and resurfacing in Chengtu is preceeding. One long important street has just about been completely remacadamed. (Dung Chen Gen Gai from Tai Tang Gei to Chin Lung Gei).

Education and health for the people are two particular concerns of the government. They want all existing schools to continue and reorganize their work to fit the new society. The government makes no distinction between private and government institutions, except, of course, that it supplies all the money for the latter. We have to follow very closely the regulations which govern all universities. But that does not mean that we cannot have courses in religion which are elective and carry on the usual religious activities or small study groups and services of worship and social service and so on. The education of the illiterate masses is to be pushed forward next year.

There have been many conferences, local, provincial and national, on educational and health problems and programs. These are always worked out with wide participation and discussion. Our university has had representatives at all these meetings. Quite a number of our staff are in Chungking and Peking at the present time, and more are going for the National Health Conference in a week or so.

From reports that these delegates bring back, it seems clear that our university has a good reputation — also our middle school (which the old government found such a pain in the neck). The university's reputation is based on its good academic work, especially in medicine and dentistry. The middle school's reputation is based on its fostering of democracy and progressive ideas.

The democratic processes and the full opportunity for frank criticism has resulted in much better relations between students and teachers. No more does each side feel a sense of antagonism and the necessity to defend itself against the other side. All together work for the best ends.

Of course it is hard on poor teachers. In the Department Council — made up of all teachers and a representative from each year and the student department chairman—there is very frank discussion of courses and teachers. And if the students feel that a teacher is not up to his job, he cannot be engaged. Every teacher must pass the Department Council before he is engaged. The council recommends to the college and the college to the personnel committee.

Teachers' Day

On June 6 there was a large meeting in the assembly hall of students and teachers. It was Teachers' Day and the students of each department presented their teachers with a big bouquet of flowers or a wreath or something. One of the students made a speech, expressing the student body's appreciation of the teachers. The chairman of the Staff Union received each of the bouquets and piled them up around the speakers' table where they looked very gay, for flowers of early June are or bright colors. Several teachers gave short speeches also, and finally there were refreshments. The friendly spirit and harmony of purpose were very evident.

Graduation day, July 10, was a beautiful, sunny day, not too hot. The academic procession formed at the administration building and marched to the gymnasium. At the door the front stopped and all stood aside, facing, while the far end came up between, the whole line "skinning the cat" into the gym.

The speaker of the day was Mr. Ma Shih-tu, the chief organizer of the Communist Party in Szechuen. When he taught English in the Union Middle School when I was head of the English department there, I hadn't any idea that he had the responsibility of the organization of the Communist underground. He was a good teacher and always present and the students liked him—that was all I knew about him.

Fact and Fiction

ONE of the foreign papers specializing in "calamity" reports from China, stepped out on a limb recently and couldn't get back.

The *Hongkong Standard*, reporting on "famine and flood refugees from north Anhwei province," stated: "The number of people homeless is said to be estimated at 30,000,000, of whom 6,000,000 are described as being 'in dire need of immediate relief.'"

That this is more than a slight exaggeration is apparent to anyone who knows anything at all about China. The population for the whole province of Anhwei, north and south, is 24,000,000. How 30,0000,000 people got into one-half of a province which only has 24,000,000 to begin with is a problem in mathematics or logic which the editor of this Hongkong paper could not solve.

To keep the record straight, it should be mentioned that, calamity-mongers to the contrary, the food situation in China is better that it has been for hundreds of years. This year, for the first time since the Manchu Emperor Kang Hsi imported rice from Siam in 1721, the country has produced enough food. As a matter of fact, there is a small surplus and China sold some grain to Japan a few months ago.

As for floods, it is true that there was one in Anhwei during the summer. However, the area effected was relatively small, and compared to the disasters of previous years it was not on a large scale. Flood control projects put into operation during the past year have played a vital part in cutting this age-old wrecker of China down to manageable size.

Mr. Ma made very graphic the difference between students graduating in years past and today: how previously they tried so hard and so many different ways to impress some person who might employ them, and yet how many of them remained unemployed, while today the government says, "not one university graduate without work!"

He described, too, the old attitude of "serving the people" with a patronizing attitude from far above them, sitting at a desk in some "reconstruction" organization and challenged them with the need for an entirely different attitude. This all sounded very "Christian" to me — the realization of oneness with the people and their needs and giving oneself without thought of what you would get out of it.

In the afternoon there was the usual reception on the lawn of the president's home. The Students' Association Music Group gave us a splendid program of instrumental and choral music. These were interspersed with speeches from representatives of various organizations: Board of Directors, Alumni Association, Students' Union, Staff Union, Workers' Union.

All of them spoke of the great difference this year from previous graduations. The chairman of the University Workers' Union stressed this difference, pointing out how a university workman had never before spoken at a president's reception, which made him not a little embarrassed and not sure what he should say. He went on to speak of the great difference in the work that graduates will now go out to do—previously they went out to find some big employer who would pay them to work for him; now they would go out to work for the workers and peasants of China.

The Newspapers

I am sure that an American reader would say: "There's hardly any news." For he would not find any stories of accidents, murders, strikes, movie-star divorces, or scandals.

Instead he would find reports as to progress in collecting taxes, in bandit elimination, in increasing production, articles on education, people's organizations, special achievements in factories, health conditions, special days commemorating a historical event, such as the establishment of the Red Army on August 1, 1927. He would find speeches of important government leaders, letters from readers asking questions and giving opinions on various topics, and a great deal about Korea and American imperialism.

The general opinion is that the war in Korea is the direct result of American imperialism. I know of no Chinese who believes that the North Korean People's Army was the aggressor. Even those who have short-wave radios and listen (there is no restriction) to the Voice of America have no sympathy with the American point of view. In fact, the VOA seems to have the effect of making listeners more anti-American!

Supporting the contention that US policy in Korea *is* imperialistic is a report in the June 5 *New York Herald-Tribune* which quoted the head of the US military mission in Korea as saying: "The American taxpayer has an army (the South Korean Army) that is a fine watchdog over the investments placed in this country and a force that represents maximum results at minimum costs."

However, his prophecy was based on superficial observation—he couldn't see their hearts. He could not foresee that the South Koreans had no will to fight when he said: "The American advisory group is a living demonstration of how intelligent and intensive investment of 500 combat-hardened American men and officers can train 100,000 people who will do the shooting for you." Thus he spoke to the American taxpayers! How blind to the underlying issues and the human factor in the conflict!

Leaders of America constantly say that they wish to stop the spread of communism and bring about rapprochement between the peoples of the East and America. But certainly, as far as I can see, almost everything they do alienates the people of the East and makes them more determined anti-imperialists—and in the present situation, that means communists!

—EARL WILLMOTT

Youth Train Completes Tour

FOR the past six months the Youth Cultural Special, a gaily decorated train fitted out with a library and carrying troupes of dancers, singers, actors and teachers has been touring the towns and villages along the country's railroads.

The 68 young men and women who make up the "crew" have put on plays, movies, run a book shop and a library and operated a social center during the 3,000-kilometer trip which ended recently when the train returned to Peking, its starting point. During the trip they put on 114 theatrical performances, and 79 movies to audiences totaling nearly 500,000.

While on tour the train would, upon reaching a small town, open a "club" in one of the railway cars where books, magazines, and facilities for chess and other games would be made available on a day-long basis. In the meantime, troupes of dancers, actors and singers would put on performances in the town.

One of the more important and lasting effects of the trip was the instruction work given by the performers who endeavored to aid the people in the towns to set up their own dramatic and other cultural groups. Lessons in singing, dancing and putting on plays were given so that a permanent cultural organization could be left behind in each town.

In some cases the staff took a turn at teaching—explaining the political significance of events at home and abroad and helping to organize classes where illiterates may learn to read and write and to keep accounts.

They also went to the workshops and homes of local workers or to army barracks, spending time working side by side with them. The men often worked with the men of the villages, such as on railway repair, while the girls frequently helped the village women with household tasks. In the course of this work, the young workers learned a lot about the life of the workers, peasants and soldiers. Many new songs and plays were written on the basis of this experience.

Whenever possible, the cultural workers tried to tie their entertainment in with local conditions. For example, when the train arrived at the Lo Ho Bridge on the western section of the Lunghai Railway in Honan, the inauguration ceremony for a new bridge was being held. The opening of the bridge was the culmination of several months' remarkable work by a famous railway corps of the PLA.

The cultural workers immediately set to work getting all the details of the job and hastily wrote a short play depicting the work. As a model locomotive was pushed across the stage at the play's climax, the audience was so moved that they rose and gave the actors a rousing ovation.

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THE results of the tour can be seen from the fact that the "train" receives a steady stream of letters from residents in the towns and villages visited. Now back in Peking, plans are being made to continue the trip, this time visiting towns in the northwest.

China's First Joint Stock Investment Company

C. Y. W. Meng

ON September 1 the Peking Hsingyeh Joint Stock Investment Company was formally established. Thus, for the first time in China's history people with capital to invest can find a constructive and safe market for their funds, while, also for the first time, legitimate industrial and commercial establishments are assured of adequate investment funds at reasonable charges.

In the past, idle capital invariably flowed into the highly speculative commodity and currency markets, while bonafide business firms found it impossible to obtain operating capital or expansion funds except at exorbitant interest rates.

The natural result of this state of affairs was that China's currency and commodity markets were among the most speculative in the world and her legitimate industry and commerce pitifully under-developed.

However, within a year after the establishment of the new people's government, the primary economic ills had been eliminated or modified to such an extent that it was possible to make concrete plans for the future orderly development of the country's economy.

First Conference

It was with this setting as a background that the First National Joint Conference of State-Owned and Private-Owned Banks, convened in Peking this past summer, passed a resolution calling for the establishment of a joint investment company. The fact that one such company has already been set up, while additional ones are under preparation, indicates that an important economic milestone has been passed.

With a total capital of JMP20,000,000,000, the company will concentrate on making long-term investments—a type of financial operation at present non-existent in China. In general the activities of the company will fall into the five following categories:

1) To invest in industrial, mining and public utilities enterprises which are beneficial to the national welfare and the people's livelihood.

2) To take over company debentures issued by industrial, mining and public utilities enterprises.

3) To promote and underwrite the subscription of stock shares and company debentures issued by the above mentioned enterprises.

4) To act as a custodian of the sinking funds of the aforementioned enterprises and, furthermore, to handle the payment of interest of stock shares and principal and interest of company debentures.

5) To engage in the buying and selling of marketable securities on behalf of others after obtaining approval from the government.

Special Features

Although in some of its business operations, such as the issuance of securities and the providing of long-term funds for industrialists, Hsingyeh may bear some resemblances to an investment company under the capitalist system, there are some great differences between them.

In the first place, under the capitalist system, investment companies or institutions of this kind are always monopolized by a handful of capitalists and big businessmen. Their purpose, of necessity, is not for the development of enterprises which are beneficial—unless incidentally so—to the national welfare and the people's livelihood, but for the seeking of profit, the bigger the better.

Their investment is planless, being decided solely by the prospect of dividends.

But under New Democracy, an investment company is operated in accordance with the national economic policy. The purpose of its establishment, in brief, is to increase production and to develop the national economy. It has a plan to absorb idle capital from the market and it has a plan to use it in the most useful and beneficial way.

This is because with the advent of New Democracy, the whole economic structure has undergone a change. Financial institutions are not permitted to act as instruments of ruthless exploitation for a privileged class, but are, rather, a means to achieve the welfare of the majority of the people. Enterprises which give better service to the people will survive while those which do not will be eliminated.

Secondly, under the capitalist system, the control of investment companies is in the hands of a few top capitalists. Classic examples of this development are found in Japan where the zaibatsu families control the country's economy and in America where "60 families" decide the nation's destiny.

Different Situation

However, with Hsingyeh, the situation is quite different. Thirty percent of its total shares are taken up by the Peking branch of the People's Bank of China on behalf of the government, while 70 percent are to be subscribed by the public. Each share is valued at JMP100,000 (about US$3.30) which amount is considered to be within the reach of the smallest investor.

Furthermore, in organizing this first joint stock investment company, the government does not claim any special privilege. By its articles of incorporation, it is stated that shareholders shall have one vote for every 50 shares held. It is also provided that shareholders' meetings shall be held and resolutions adopted by a majority vote.

The company shall have from 21 to 25 directors and from five to seven supervisors. They are to be divided in proportion to the public and private shares. Thus there will be a far greater number of directors and supervisors representing private investors than the government investment.

Another fundamental distinction between Hsingyeh and Western joint stock investment companies is that Hsingyeh investors will take no risk. Under the capitalist system, investment involves risk. Article 30 of the articles of incorporation provide that within a period of three years after the beginning of operations, if the surplus of each business year is not sufficient to pay a dividend, or if there is no surplus at all, the company shall still pay a dividend of six percent in advance. This advance shall be deducted in later years when there is a sufficient surplus.

Economic Improvements

These months of strenuous efforts and government actions to improve the economic situation in the country have already borne fruit. The 12-year inflation has at last been ended. Through the process of purchase of products from the producers, through placing orders for goods with factories, through the rational adjustment of relations between public and private enterprises and through the readjustment of relations between the banks and industry, an upward turn in the overall economy is already evident.

The organization of Hsingyeh in the national capital is another symbol to show that new China's five-component economy (state-owned economy, cooperative economy, individual economy of peasants and handicraftsmen, private capitalist economy and state-private joint capitalist economy) is now in operation. The aim, briefly, is to increase production and develop the economy, at the same time taking into account both public and private interests, and to benefit both labor and capital.

Shanghai People's Court

For the first time in China's history the common man can expect to receive justice. Judgments are based on the evidence; squeeze, bribery and favoritism are gone.

JUST as was the case in so many of the Chiang government's "western reforms," the judiciary under the KMT had been a scribbling down of western legal procedure brought into being to perpetuate a facade of progressivism which, in the final analysis, merely bolstered an antiquated and feudal government. The judicial codes were based mainly on German law. The government was content with mere formalities and practices, without paying heed to specific Chinese conditions.

For the masses of Chinese the courts were a mockery. The common man was without the means of affording a lawyer, and, in addition, he was quickly ensnared in a maze of legal jargon. In the instances when the average Chinese appeared before the judge he was like one appearing before a prince of old—overwhelmed with awe at the beings in their strange gowns who spoke only Mandarin, so different from the Shanghai vernacular.

Today, in Shanghai, the People's Court truly serves the people. The most casual visitor can readily see and feel the spirit of simplicity and fairness. From the moment the judge, a plainly garbed man or woman, enters the small room where the litigants face each other seated across a small table, it is apparent that the People's Court is bent on carrying out its basic tenet—serving the people.

No Lawyers' Fees

No longer are lawyers' fees, always well out of reach of Shanghai's *lao pai hsing*, a prerequisite in attempting to have justice done. A litigant buys a simple form at the court and, should he be unable to write, the free services of a court clerk are available to draft his petition. No literary phrases or legal cant is required, just everyday language suffices.

In the court, there is none of the superior attitude among the judges which exists in many European and American courtrooms today. Judges are addressed simply as "Comrade," "Judicial Officer," or by the formerly used title of "Chief of Court" (Ting Chang). Hearings are open to the public through the issuing of freely available tickets. A visitor is permitted to wander from room to room, listening in on cases ranging from crime to marital disputes.

Following the reorganization of the courts after liberation not only did the People's Court have to clear up unfinished business, but it was soon swamped with new cases. This was substantial proof of the people's confidence in the new judicial system since they had never had any faith in the KMT courts for just and equitable settling of disputes. In the old days, bringing a case into court was always preceded by hesitation.

Informal Atmosphere

Hearings are conducted in an atmosphere of informality with the judges and their secretaries wearing simple dress or the uniform of judicial personnel. Because of overwork, many additional rooms have had to be adopted for use in hearings. Only a few of the courtrooms have the usual trappings of a dais for the judge and a stand for the parties involved. The facing of those concerned across a desk is a symbol of the attitude of the court in civil disputes, namely an attempt at settlement by mediation, conciliation and compromise, a truly democratic method.

In civil disputes, no set of laws has been copied from anywhere. The court itself is learning from the people and from experience in handling cases. Even in the most trivial cases, ample time is given for each person to state his case. Although, in some cases, this is a time consuming process and a strain on the judicial personnel, it is a very essential step in the organic development of new civil laws.

Giving the people the opportunity for a complete hearing has enhanced the confidence the court enjoys with people from all strata of society. By conciliation and mediation, the very essence of democracy, both parties in a dispute are able to work out their differences in many cases, and the necessity of passing a judgment is avoided.

A judgment in civil cases will very rarely be satisfactory to both sides, and often will be considered as interference by a third party. This is the reason why so much stress is placed on a settlement by mediation and mutual agreement — an attempt to make the people realize their responsibilities toward one another. Having people remedy their differences themselves, minus the paternalistic influence of the law, goes a long way in causing them to realize the obligations imposed upon them by society.

The central government is planning to send inspection parties to all people's courts, according to a statement of Minister of Justice Shih Liang made at the recent National Judicial Conference in Peking. This is evidence of the government's intention not to hand out a civil code developed behind a desk in some administrative office, but to learn from the experiences of the courts all over the country.

Simplicity of Court

All hearings at the Shanghai People's Court are conducted with a judge, his recorder, and a court policeman in attendance. The only paraphernalia on the judge's desk is an inkwell and his papers. There is no gavel, and there is no need for one. After pertinent data of both contending parties has been recorded, the plaintiff is asked to state his case, in accordance with his submitted petition. After the plaintiff has concluded, the defendant replies to the charges.

The judge's job is a very trying one and requires a great deal of patience since the chief aim of the court is to achieve a solution by mediation. Very often tempers are short and all points have to be carefully explained to both parties, with the judge acting as mediator. Unsubstantiated statements are not accepted. Since all utterances of both litigants are recorded, they are often closely questioned by the judge as to the validity of their words.

In the case of foreigners appearing in the People's Court, they may avail themselves of the free services of a court translator or they may bring their own.

Foreigners' Impressed

Perhaps nothing has done more to impress foreigners who have participated in court proceedings, or who have watched as onlookers, than the spirit of complete fairness with no differentiation made because of nationality. No amount of opportunistic mouthing of phrases or slogans is of help to a Chinese involved in a case with a foreigner. Cases, such as a Chinese tenant brought into court by a foreign land holding company, are judged solely on their legal merits.

Like all other government offices, judicial personnel in the People's Court work diligently and thoroughly. The day starts at 8:30 a.m., when

hearings open. There is a short noon recess and the working day lasts until well past 5:00 p.m. The present shortage in personnel has necessitated that most of the staff, engaged in handling civil cases, conduct their own investigations related to such cases out of court. *Hsueh hsi*, (study classes participated in by all government employees as well as many in private enterprises), is also part of the judicial workers' schedule. Often the judge and other court officers have their meals brought into the courtroom, so as to lose as little time as possible.

The great majority of the cases being handled by the court's civil section are housing disputes. These are either ordinary rental questions or the more involved and intricate relation between the different kinds of "landlords" and their tenants, sub-tenants and sub sub-tenants—a relationship which sprang up in Shanghai's chaotic KMT days when sub-letting was carried to such a degree that some houses or office buildings were occupied by third, fourth or even fifth sub-tenants.

If the court fails to achieve its primary objective of settling a case through mutual understanding the case may be postponed for either further investigation or for the handing down of a judgment, which is always in written form. Appeals may be lodged with the Shanghai Military Control Commission within 10 days of the decision.

In view of the tremendous amount of work before the court, including backlogs from Kuomintang days, the speedy efficiency with which all cases are handled is a feat in itself.

A People's Court

With the People's Court in operation, no longer is there any dread of appearing in court. Gone are the days when the people felt that the securing of justice was a highly complicated and expensive process, when a decision was handed down from somewhere on high. Today, Shanghai's people look upon the People's Court simply as a third, and neutral, party.

The court, like the rest of the government organizations, serves the people, learns from the people, is accessible to the people at all times; and has their complete confidence. Like the black and white face of the man of untarnished reputation in the traditional Peking Opera, the sign on the People's Court in simple black characters against a white background proclaims: "Justice must be done."

— *JOHN MULLER*

A Short Story

Working With the Army

by Kuo Hsueh-shih (郭學詩)
Translated by Feng Ping-chung

SINCE joining in labor production —dike construction—I feel that I have really joined the army.

Before working on the dike I felt awkward when I met my fellow soldiers. It seemed that we had nothing to say to each other. There was something between us.

After labor production, when I came back to my class, Liu Chang-chun said to me:

"Frankly, when you first joined the army to teach us, you looked so different from any of us that we couldn't get along with you. Now, after working on the dike you have lost your 'swagger' and we all like you very much."

"Don't you remember, Cultural Instructor," Tsao Ming-hsin added, "you looked like a college professor when you first arrived here. You only gave lectures in class and cared for nothing outside the classroom. But now you have changed quite a bit."

I felt an indescribable happiness when I heard these words.

* * *

WHEN I first learned that our unit was to be mobilized to aid in dredging the river and repairing the dike I was quite scared. I went to see the director and suggested that I could prepare my lectures while others were working; and when they returned from their work to rest, I could then teach them their lessons.

However, the director replied: "Besides doing our own work, we must take the lead to do other things. We are cadres."

My sleep was disturbed, my appetite fell off and my teaching was affected.

On March 1 the director came and talked to me. He tried to encourage me and dispell my fears. He told me that he had been ordered to take care of those comrades who were in poor health, and added, "labor is good for the health."

I was told by the company commander that I was assigned to the second section. Desperately, I got together some worn out clothes and prepared myself for work. After breakfast I went to the second section. Before entering the door, I heard someone talking.

"Cultural instructor's hands look as if they were made of flour. What can he do? I'm sure our section is bound to be left behind in production."

"You shouldn't say that," said another. "If he wasn't in our section he would be put in another section. Since he is here, we should help him out. Didn't the Party branch call on us to put into practice the mutual aid resolution? Besides, his being in our section gives us a chance to improve our general knowledge."

Hearing this, I dared not enter the room but went back to company headquarters.

* * *

AFTER a few days' march—and not without difficulty—we reached our destination. By this time I had three blisters on my feet.

As soon as we arrived, we all climbed up the dike to investigate the job. Looking east, we saw two stripes of uneven dikes which stretched so far that they were only lost to sight in the midst of villages and forests. The shallow river was flowing slowly downward. Along the river banks we could see the marks made by the water on the decaying dikes. The river bed was three feet above the roofs of the villages on both sides of the river. If the banks were to break during the high water, 100,000 people and their belongings would be carried away by the flood.

To myself I wondered when and how we could finish this gigantic job.

Our work began. Being a cadre, I took the lead to carry mud. I thought this would gain applause from the soldiers. However, someone said, "Look at the instructor's loads swinging to and fro on his shoulder." I felt downcast.

Two days passed, but we still had to keep on working. My tired body was full of pain. It seemed to me that even the sun moved slower than usual. I hung my head and carried my loads without a word.

The director tried to persuade me to take a rest. The soldiers gave me lighter loads, but still I was often left behind.

Finally, I decided that digging might be lighter work than carrying, so I asked one of the soldiers to change places with me. But I had guessed wrong. Even working at top speed, I couldn't dig fast enough to fill the loads. After only a few minu-

tes I had blisters on both hands. Moreover, I wasted a lot of time because carriers had to wait for my mud. At this point the bugle sounded for rest.

Just as I lay down, the educational cadre came to ask about the progress of cultural work among the soldiers. He told me that all illiterates must know more than 300 characters by the end of June, and suggested that my teaching method should be designed to fit in with the production work.

This made me furious. Everything was in a mess, and I wondered how things could possibly be coordinated. I was told to dig mud, then to teach the soldiers characters. When was I to take a rest? However, I swallowed my complaints.

* * *

AT night the fighters all slept soundly. The rain beat on the windows drop by drop. Lying in bed, I felt my blistered hands and swollen shoulder. Closing my eyes, I recalled the days of home and school—how nice and sweet they were. I thought of running back.

However, I thought of something else, too. The fighters sweated all over when carrying mud, but still said, "You haven't been trained to do this kind of work, Instructor, so don't carry too much. You'd better take a rest." On the march, the director snatched my bag and carried it for me, saying, "You are not accustomed to doing this because you've been in the army only two months." The landlady, who was a grandmother, gave us drinking water and said, "It is really too toilsome for you! For our benefit, you worked very hard all day!"

I decided to find a way to stick on.

* * *

IN order to improve the educational classes for our fighters, the authorities decided that the cultural instructor should only participate in a half day's labor so that for the rest of the day he could prepare his lecture at home. I was very pleased over this because it gave me a chance to rest.

However, several days later I again felt miserable. On a Thursday afternoon when I was preparing my lectures at home, the sounds of heroic singing reached me from the dike.

..... repairing the dike,
We will give our full strength.
..... Hai-ya, Hai-ya,
We will not let ourselves be
"Tramps" nor "Lazybones."
Never bow our heads to difficulties.
..... Hai-ya, Hai-ya.

"We will not let ourselves be 'Tramps' nor 'Lazybones.'" I felt as if they were talking to me. Suddenly the street became very noisy and I knew that they were coming back. I became self-conscious because I had not gone to work with them. I hastily hid in the lavatory.

As a rule I went out with the troops to labor production in the mornings, but I always felt uncomfortable. At breakfast Li Erh-wa smiled and said: "How could we have steamed bread if we did not work for production?" "Sure, if we don't work for production, how could we get four dishes for our meal?" Chao Hsiao-lu added. I dared not look at them but lowered my head and ate. I had the hot feeling of blood rushing to my head.

Sometimes I thought that if I worked together with them, although I would feel worn out physically, I could have talked and laughed with them and would thus have been happy mentally.

* * *

THE river bed digging started. "Dah-di, Dah-di," the get up signal blew. Still dreaming I opened my eyes and looked at my watch. It was half past three. I was really annoyed. The schedule distinctly said that we must begin work at five. Why did they wake us up now? I got up as if I were walking in clouds and found that the troops had already gone. I ran to catch up, thinking that the fighters might also have been annoyed by the early rising.

But to my surprise, when I arrived on the dike, they were singing and shouting. All seemed to be very happy. The fact was that information had reached us at midnight saying that the water had come. It would increase the difficulty for us in digging mud from the river bed. If we should dig mud at 200 meters away from the river, the work would be four or five times harder. It was impossible for us to complete the task in time.

The Party branch called for their members to attend a meeting to discuss this difficulty and I stayed at home trying to work out something but it was of no consequence.

The Party members took the lead to dig mud below the surface of the water. The company commander, like a fisherman seining, dug a full load of mud and turned it up on the dike. The more they worked, the more invigorated they felt.

They gave up their Saturday's rest and worked actively without any complaint.

A few days later, the work on more than 300 meters of the dike was completed, just as the Great Wall had been a long time ago.

* * *

THE high morale of the soldiers and their spirit of self-sacrifice when working to improve the people's life by safeguarding them against flood served as an education for me and encouraged me. The experience of participating in physical labor increased my understanding of my fellow workers and thus broadened my outlook. It was only then that I could really work harmoniously with them.

MacArthur: Wall Street General

IT was September, 1950 and in the center of a road, five miles from Kimpo airport lay a heap of Korean bodies which had been mashed to a sickening pulp by heavy American tanks. America's United Nations commander, General Douglas MacArthur surveyed the surrounding scene. One hundred yards down the road six blackened tanks lay burning. Two naked North Korean soldiers atop one burning tank were literally sizzling. Scores more lay in cane fields along the side of the road.

With this setting as the background, a *Reuter* correspondent quoted MacArthur as declaring, " 'That's a good sight for my old eyes,' as he looked down upon the bodies of four Communist soldiers."

• • •

IT'S a long time and a long way from the Philippines in 1903. At that time Mac-Arthur was a young second-lieutenant in operations against Filipino guerillas who were fighting for their islands' independence. In all the years since then the bemedalled MacArthur has often boasted of how he killed his first Filipino. The American army at that time was shooting guerillas and suspected guerillas on sight.

MacArthur had an Army 38 and the guerilla was armed with a bolo knife. Pumping six shots through his adversary's heart, MacArthur tells with relish how he kept shooting the six bullets into his victim until his gun was empty. One-time sports writer and now Hearst foreign correspondent, Bob Considine, has recently published a biography of the general. Under the modest title, "MacArthur the Magnificent," Considine quotes MacArthur on the killing of his first colored man. "He finally fell dead at my feet. It gave me a new insight into the amount of punishment those people can take. When I turned him over I could cover the whole pattern of the six bullets by holding my hand over his heart. They were grouped that close together."

Douglas MacArthur, despite his military mien, is more than just a top-ranking general. His hatred for "Communists," or anyone standing in the way of American imperial destiny is closely connected with his background, both military and financial. MacArthur, in addition to being a millionaire in his own right, has had intimate family connections with America's most powerful financial organ, J. P. Morgan & Company. In fact, the grandiose general owes some of his rise in the ranks of the American army to his Wall Street connections.

A partner of the late J. P. Morgan, one of America's first robber barons, crowned MacArthur as a major-general 25 years ago. The man who acted on his behalf was his step father-in-law, Edward T. Stotesbury, number two man in the House of Morgan at that time.

Following his marriage to Stotesbury's step-daughter, which was labeled by the press, "The Marriage of Mars and of Millions," MacArthur prevailed upon his step father-in-law to get busy and raise him from the rank of brigadier-general. In their book, "More Merry-Go-Round," Robert S. Allen and Drew Pearson say, "...He chafed at the bit, and complained to his wife... MacArthur demanded that something be done. So a cable was sent to the elder Stotesbury, and the latter, being an obliging father, and a heavy contributor to the Republican campaign chest, came down to Washington and hammered on the desk of the late John W. Weeks (another banker), then Secretary of War."

The authors add: "...Thanks to his father-in-law, Douglas MacArthur got his promotion. At 45 he was the youngest major-general in the Army."

Backed by the House of Morgan, MacArthur was quickly transferred from the Philippines, from where he had pleaded with Stotesbury to do something for him. He secured the plush military mission of heading the command of the Third Army Corps Area on the mid-Atlantic seaboard. From this spot he could enjoy the pleasures of his wife's million-dollar Rainbow Hill estate near Baltimore. It was here that the MacArthurs entertained Stotesbury and other important financiers. MacArthur was taken into the business discussions of these tycoons, his biographers relate. On several occasions he was offered various big Wall Street jobs.

Even after his divorce in 1929 MacArthur retained his Morgan connections and backing. Some of his personal traits, which hardly made him loved by his men during World War Two, apparently had their effect on MacArthur's first wife. "I was a little tired of playing Josephine to his Napoleon," she told a *New York Post* reporter. "She told me," said the *Post* reporter, "that MacArthur couldn't pass a mirror without looking into it."

• • •

KOREANS and Filipinos are not the only subjects for MacArthur's cold-bloodedness. His own countrymen have felt the effects of a cold and methodical brutality under his direction. In 1932, as Hoover's Army Chief of Staff, MacArthur's soldiers cut down American veterans of the First World War in their Washington Bonus March. This was an atrocity committed on former American soldiers who were unemployed and had come to the nation's capital from all over the country in protest over not receiving the bonus they had been promised for participating in the war.

MacArthur's men cut up many veterans, bayonetted some, trampled down men and women, and injured hundreds with gas. The job was MacArthur's biggest "military" operation since he had made the ranks of the top brass. He passed out battle communiques as if he were running a war. He flaunted military maps of Washington before reporters and referred to the veterans as "the enemy."

The "enemy," who numbered 20,000-30,000 unemployed, were peacefully encamped in Washington when Hoover gave the word to attack. There were many women and children in their ranks. MacArthur used 1,000 infantrymen and cavalrymen, tanks and thousands of gas grenades in his operation. Throughout it all he dressed in his most resplendent field uniform, with rows of glittering

medals. Newspapers said that he rushed an orderly to Fort Meyer for the uniform when he got Hoover's message to begin. The troops and tanks stood by until the general was properly dressed.

After it was over MacArthur boasted that he had saved the country from "revolution."

No friend of labor, MacArthur, the darling of Hearst and McCormick, once ordered his troops to "shoot to kill" labor pickets if they were called in strikes. This order was in writing in his notorious army manual on how to break strikes. The manual bears MacArthur's signature as Chief of the Army's General Staff. It was issued on August 1, 1935, at a time when workers were striking all over America and the bankers and big companies were calling for the use of troops.

The "shoot to kill" order is found on page 18 of the manual. "Blank cartridges should never be used against a mob...nor should the volley be fired over the heads of the mob, even if there is little danger of hurting persons in the rear. Such things will be regarded as an admission of weakness..."

* * *

FOLLOWING his handling of the bonus marchers, MacArthur became Wall Street's "man on the white horse" in a plan for a fascist putsch to overthrow the Roosevelt government. However, even then MacArthur's unpopularity with the public as a result of the Washington brutality ruled him out. The bankers behind the plot turned to General Smedley D. Butler, colorful ex-commandant of the Marines, who exposed the whole business in testimony before the Dickstein Congressional Committee in 1934.

The plotters' funds were handled by the treasurer of the Liberty League, an organization devoted to wiping out the New Deal government, and crushing the rising trade union movement as well as the Communist Party. The money was handled by the Liberty League treasurer, Grayson M.P. Murphy, a Morgan banker and a director of the Anaconda Copper Mining Company and the Bethlehem Steel Corporation. Murphy and his cronies had US$3,000,000 ready—with US$3,000,000 more to come—to finance a veterans' march on Washington. The leader of the march would become the fascist dictator.

Opinion was divided over the merits of the two generals; MacArthur and Bulter. Most of the Morgan people wanted MacArthur.

* * *

WITH his Wall Street connections and the long years spent in the Philippines it is small wonder that US airmen during the last war were instructed not to bomb certain places in the islands.

Among his financial interests is the San Miguel Brewery in Manila, valued at from US$7,000,000 to US$10,000,000. MacArthur's "large interest" in this enterprise was referred to in June by Robert S. Allen in his syndicated newspaper column.

The brass hat brewery magnate and his partners shortly before had received US$1,055,100 from the American government. This money was given as payment for alleged "war damages." MacArthur had asked for a total of US$4,695,708. According to Allen, the general and his friends will get the remaining US$3,640,000 if a high-pressure lobby drive now under way meets with success.

The San Miguel Brewery was turning out beer shortly after the end of the war and American veterans, who drank its beverages after Manila was reoccupied, don't see where MacArthur's damage claim comes from. They also say that airmen were forbidden to blast any of the properties owned by "Mac."

The House of Morgan has been interested in Philippine investments for a long time and the general found the islands' financial doors open wider than ever when he returned in 1935 as Director of the Defense Forces for the Philippine Commonwealth. By VJ Day, a Manila correspondent reported that MacArthur was a large shareholder in various important mining concerns. The total gold production of the islands, towards which MacArthur's mines play no small part, amounted to more than US$35,000,000 a year before the war.

In artillery-pocked and gutted Manila after the war the spacious and grandiose Manila Hotel survived amidst blown-up buildings and shambles. MacArthur has been reported as owning a large interest in this piece of property, on the top of which he has lived in a stylish penthouse.

Two of the richest Spanish landlord families in the Philippines are associated with MacArthur's mining and other enterprises. One family was headed by Franco's honorary consul general, Don Andreas Soriano, the richest landlord in the islands. The other family was headed by Don Enrique Elizalde, the second richest landowner.

Since the end of the war MacArthur has branched out into the field of national politics in his homeland. From his self-appointed "throne" in Japan he made a bid for the Republican presidential nomination in 1948. Among his supporters he could boast of the most rabid reactionaries and isolationists, such as *Chicago Tribune* publisher Robert McCormick. Looking for "the man on a white horse," the lunatic fringe also saw their potential "strong man" in MacArthur. In 1948 American public opinion still was not tuned to accepting a military man as president. However, the next election, in 1952, may see the strike-breaking millionaire militarist ready to try once more.

Chinese view of MacArthur shows him propping up the Japanese Emperor and holding an interview with a Japanese militarist now wearing a joint US-Japan insignia.

Changsha Roundup

Sophia Chang

A YALE professor once said that man is a creature, a creator and a manipulator of culture. This can be said to be true for mores as well, for they are imbedded in culture. Mores are changing these days all over China. Men are making such changes, which in turn are affecting other members of society. For me, Changsha since liberation has been a lesson in theory and fact.

Foremost is the attitude toward labor. The Chinese intellectual's reluctance to soil his hands in physical labor has been notorious.

Things Are Different

Those days are gone now. No one looks down on manual labor. The intelligentsia working in government offices are also devoting some time to planting and raising vegetables on nearby plots of land. The girls at Fusiang Middle School, a missionary school, are washing dishes after every meal. Some of the boys attending Yale in China are earning their tuition by working at a milk station.

There has also been a change in who is honored by society. Prestige is now based on one's position in relation to the total society.

In the past, rich landowners, high KMT officials and militarists had great prestige. Workers, farmers and soldiers were insignificant. Now that the entire system of values has been turned upside down past glories carry no glitter.

The workers, which means those who work physically or mentally, are the leading class. The landlords, who exploited the majority, have been stripped of their surplus land and have been ordered to work in order to support themselves.

I was surprised the first time I attended a women's conference in Changsha to find a number of farmers, spinners and weavers sitting on the platform, members of the Chairmen's Committee. Listening to them speak with sincerity, simplicity and clarity as to their aims was a moving experience.

Both in reality and in spirit the common man has been uplifted. There is hope in his eyes. His children are now studying in government schools, and he himself is being taught to read and write in his leisure hours after long centuries of literary blindness.

One is immediately impressed with how the spirit of youthfulness, and the hope which goes with it, permeates the whole atmosphere.

Just a few years ago a proper child was supposed to act reserved. He was supposed to walk slowly and speak seldom. Now the whole nation is singing and dancing. A favorite slogan is, "Work while you work, and play while you play."

On weekends or celebrations there are dancing parties by members of the provincial government. No formal dress is required. People enjoy dancing as a physical exercise and as a means of making friends. The whole atmosphere is informal and easy going. Party and non-party members attend and as the couples go whirling by all I see are just ordinary people having fun.

* * *

THERE is a new attitude toward marriage. Ceremony and lavishness are no longer important.

The mayor of Changsha, Yen Tze-hsiang, a Communist in his thirties, fell in love with a graduate nurse who is a non-party member. My husband and I were invited to a meal one day and it turned out to be their wedding. About 50 guests were present.

The groom was in his usual grey uniform and the bride in a plain blue dress. The guests drank a few toasts and there was much rejoicing. No ceremony took place and after dinner a few couples danced for a while and then we sat in groups eating candies and watermelon seeds.

The nurse is still working full time in the City Hospital and goes home on weekends and holidays. Home life is deemed important, but always next to work. The mayor's wife is not a "flower vase" meant to decorate a household.

* * *

City Face Lifting

CHANGSHA, capital of China's "Rice Bowl" province, is having its face lifted. Some examples are the installation of a system of running water and the repairs made on the city's sewerage system. The streets of this Hunan provincial capital are being repaired and broadened.

Every day I go to Hsiangya Malu by ricksha and I constantly hear the ricksha pullers remarking, "This people's government is really doing something. Look at this Hsiang Malu which hasn't been repaired for so many years. Now it's so broad and easy to walk on."

The city's doctors have begun to play their proper part in serving the population. It was interesting to see private doctors visiting homes in their neighborhood, giving inoculations free of charge. Many of them formerly sat in their clinics serving only those who could pay high fees for their services. Previously they paid not the slightest heed to the health of their neighbors. The hospitals are setting aside one-tenth of their beds for free patients. Everyday 400 patients receive free treatment in the OPD's.

* * *

FOR the first time the children of workers are being given the opportunity of attending school. At present there are 31,300 students in primary schools, of which 43 percent are supported by the government. Enrollment continues to grow. One hundred and nine additional teachers have been invited to work in Changsha's primary schools.

In workers' night schools and workers' study classes 12,000 workers are now studying. More than 4,000 adults and children are learning how to read in 48 mass education classes. Factory workers are enthusiastically organizing dramatic clubs, singing groups and athletic teams.

* * *

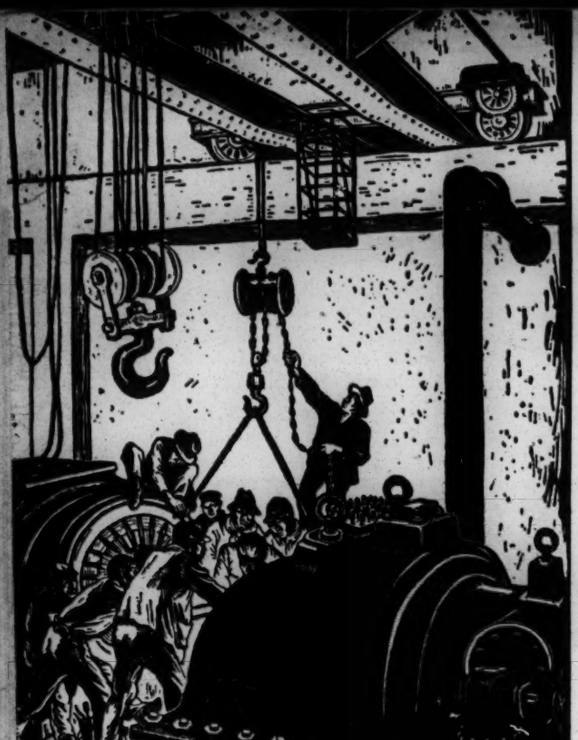
Attitude Toward Christians

AN interested observer, especially from the West, might ask about the Communist attitude toward the Christians. The answer is simple. There is freedom of religious belief as well as disbelief.

My mother, husband and I are all Christians. My 60 year-old mother is the director of a municipal nursery where 30 children of government workers are being looked after. The government in no way discriminates against her for her belief in Christianity.

My husband is the general secretary of the Changsha YMCA. He has been elected to the post of secretary-general of the Standing Committee of the Municipal People's Representatives' Council. I, myself, am teaching at the National Hsiangya Medical College and am also a participant in various "Y" activities. We both spent two years at Yale in New Haven. Among our acquaintances are quite a number of Communist friends who are both cordial and sympathetic.

All this has convinced me that the forming of mental stereotypes about another social group is directly proportional to the distance involved—the greater the distance the greater the possibility of thinking in terms of stereotypes because the chance of understanding and contact is less. Mine is a case where contacts are frequent, making for a climate for more understanding.



Li Hwa (李樺)

Woodcuts Tell the Stor

THE modern Chinese woodcut, as a medium for telling the story of the people's struggle for a better life, had its beginnings in Shanghai some two decades ago when Chiang Kai-shek's police launched the first of the many "suppression campaigns" against progressive writers.

It was at this time that China's young writers began searching for a medium which could be understood by the city's large number of illiterate workers, and discovered that the woodcut offered a powerful weapon to portray graphically conditions in China.

However, the KMT police soon directed their attention to the woodcut artists. Woodcuts were banned unconditionally, while woodblocks and cutting tools were listed among the "subversive objects" for which police were to look in their searches of the houses of suspected progressives.

With the beginning of the Sino-Japanese War and the formation of the united front, the ban on woodcuts was lifted and, for a while, the KMT even approved this medium of telling the story of China's heroic fight against Japanese aggression.

However, when the KMT torpedoed the united front and devoted the bulk of its energies to fighting the Communists, rather than the Japanese, the woodcut again became suspect in all areas ruled by Chiang Kai-shek.

In the Liberated Areas, however, the woodcut flourished and developed. Today, it is a recognized art form and is taught throughout the country. The center of this work is in the Lu Hsun Academy of Arts, which is named after China's great writer and teacher who was one of the first to see the possibilities of this medium.

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Telling of Grievances—*by Han Yen*

Surveying the Land—*Wen Niu*

Soldier and Peasant—*drawing by Yen Chiao, woodcut by Tsung Ku*

Market—*by Feng Jen*

Story of China

The woodcuts reproduced on these pages represent variety of types. The one in the upper left-hand rner is very modern, depicting the working of highly lled men in a modern industrial plant. The sorry ght of China's long-oppressed peasants is illustrated the center-left woodcut, showing a peasants' meeting which grievances are aired.

The top-center and top-right ones are more pictorial, ile the "Soldier and Peasant" and "Our Own Army Coming" show the close connection between China's asantry and the People's Liberation Army. "Hygienic ucation" is also a modern woodcut and very pertinent the present time when great efforts are being made bring modern medical science to the mass of the ople.

Our Own Army is Coming—*by Chiung Yang-yi*

Demanding Rent Reduction—*by Ku Hung*

Hygiene Education—*Wang Liu-chiu*

Turning Point for China's Cooperatives—II

With liberation and end of KMT oppression, cooperatives have had an opportunity to increase their services to the people. Past year has been period of steady growth.

THE very things which have led to rapid advance in the cooperative movement have posed new problems. In the newly-liberated areas are thousands of cooperatives organized by or under the Kuomintang, claiming millions of members. How are these to be reformed or reorganized? And in the cities how are the old consumer cooperatives to be reorganized quickly and efficiently so that they can improve the livelihood of workers, teachers and students and help repair the damaged distribution system, which has been clogged by speculation and hoarding?

The heritage of cooperatives left by the KMT was almost uniformly bad. Here and there were good or useful cooperatives. However, the whole network of the cooperatives, promising enough in its earliest days, had been distorted and corrupted.

Open Exploitation

In the villages and county towns the exploitation of cooperatives and the tax reductions and privileges they could command had been open. Magistrates, military officials, merchants and landlords had used them to exercise a virtual monopoly over the sale of salt or to secure transport facilities or simply to raise money by imposing membership on all people residing in a particular district and refusing to allow any member to resign or withdraw share capital.

On the score of being farmers, landlords had secured cooperative credit loans from the Kuomintang's Farmers' Bank at easy interest rates and in turn loaned the money to poorer and more needy peasants at exorbitant interest. Producer cooperatives were infiltrated by merchant capital and when they showed signs of profit were virtually taken over and turned into privately-owned factories on the threat of withdrawing the capital and leaving the cooperative short of cash.

Some were extinguished with a blaze of glory, like a gold-washing cooperative in the Han River Valley which, when it proved profitable, was asked to support an officially-appointed administrative staff which exceeded the working membership in numbers. It finally expired when it was forced to present one of the highest Kuomintang officials with its trademark made in pure gold.

The first part of this article by Peter Townsend appeared in the October issue of the Review. In this second and concluding part, Mr. Townsend discusses the reorganization and development of China's cooperatives in the period since liberation.—Editor.

In the cities the exploitation was less open but just as venal. Consumer cooperatives in factories served owners and management rather than workers, stocked goods which management wanted to buy but which workers could neither buy nor wanted. Management used cooperatives to purchase government supplies at reduced rates and either hoarded them or speculated with them.

The membership was never consulted, no meetings were held, accounts were closed and there was no attempt to supply workers' daily necessities. When food shortages were acute consumer cooperatives performed a useful function for the authorities in channeling small quantities of government rice or relief goods to the workers to reduce discontent. If the member-workers complained too much they would be quieted by token allocations of clothing and flour.

While in the rural areas the cooperative movement was largely controlled by landlords, in the cities the CC Clique, (the extreme reactionary clique within the Kuomintang headed by the Chen brothers—Editor) through the Kuomintang's Ministry of Social Affairs, exercised decisive influence.

Reorganizing City Co-ops

Shanghai was one of the cities where CC Clique influence in pre-liberation cooperatives had been strongest. Through "promotion shares" it even exercised a controlling interest in individual societies, such as the Shanghai Consumers' Cooperative. Because of this and the complexity of Shanghai's supply problem, the city provides an excellent example of how the old cooperatives in an urban center were reorganized and reformed.

The first step was to take over the former Kuomintang cooperative agencies.

All had been dominated by Kuomintang government agencies, primarily the Ministry of Social Affairs. Stocks were sealed and checked, members re-registered and the headquarters of the Shanghai Cooperative Society formally established. This work was completed in two months. At the end of July cooperative stores were being reopened and help given to cooperative units undergoing reorganization.

Reorganization was not a simple matter. In areas recently occupied by the Kuomintang the very word "cooperative" was regarded with suspicion as though it hid an old ruse under another name.

Self-confidence had to be raised and suspicions overcome, but this could not be done by orders from the top or mechanical reorganization. Being people's organizations, the cooperatives had to handle their own affairs. Government cooperative promoters could not go into cooperatives as they wished or interfere with cooperative affairs. When the people wanted them they would go and help, but not until then.

First Steps in Shanghai

The question was urgent, particularly so far as the workers were concerned. Shanghai has an estimated 1,000,000 workers, shop employees, government workers and teachers. Approximately 350,000 of these work in factories and can be supplied with daily necessities at fair prices through factory cooperatives. The General Cooperative Society therefore worked closely with the General Labor Union, which could investigate factory cooperatives, find out the opinions of the workers, seek out the active ones and give instructions on cooperative organization.

The investigations which resulted brought long-established irregularities to light. There were cases where management had exhausted all or nearly all the share capital in inefficient handling or speculative buying. There were gross cases of corruption, where some of the old officers of the cooperatives had blandly taken supplies to hoard at home or sell on the open market.

Elsewhere, workers complained that cooperatives had stocked luxury goods, even Cutex nail polish, but not the cheap soap and cloth they wanted. Very few had carried the grade of rice which workers ate; the majority had sold the high-quality rice which only management, officialdom and factory owners used. There had been much falsifying of accounts and underhand disposal of stocks, and cooperative officers had frequently been appointed by factory management, or their election secured by pressure through Kuomintang-dominated trade unions.

At first the members were unwilling to speak openly. They were nervous and would say, "It's not worth it." Or they would try to shift responsibility to the General Cooperative Society or the trade union cadres, saying, "We're workers, we don't know anything about business. You run it for us." The Shanghai gangs, the ragtag remnants of the Kuomintang Youth Corps, the old management and political cliques tried to exploit this situation by splitting the members, by playing on their reticence, persuading them not to speak at meetings and by threatening that "old Chiang will be back one day."

But once a complete picture of the situation had been secured, open meetings attended by all members could be called. The old cooperative management would be called upon to report on past work and previous actions. They would be asked why they did this and that, what they had done with goods and money, why they had given certain people privileges which were not accorded to all. Books were brought out for public inspection, stocks and share capital checked. Some meetings ended stormily. Members whose tongues had been tied found them loosened.

Clearing the Air

The grievances of the old days were aired and offending cooperative officers were made to admit their misdeeds. Those whose misdeeds had been lighter apologized for them and agreed to make up the cooperative's loss, while those whose corrupt practices had been grosser were sent to the courts to expiate them. Once the air had cleared the members could elect new officers free from all pressure or interference.

An educational process remained to be done. The workers had to be taught that they alone could run the cooperatives and they were in fact best suited to handle them.

The more active workers and the cadres from the General Cooperative Society had to explain to the rank and file workers over a long period that the cooperatives were to benefit and protect all the members and that no one could know better than the members themselves what they needed most. Who else could really tell them what grade of rice they could afford, what kind of soap was best, what cloth, toothpaste, household articles suited them best and at what price?

The education was completed by an extensive educational program by which workers and cooperative members in night schools, 10-day courses, lectures and meetings, could learn the rudiments of business management, accountancy and cooperative organizations.

From liberation to the point where Shanghai's cooperative movement stood on its feet, with all retrogressive tendencies and hindrances removed or weakened to the point where they no longer constituted a serious obstacle, took approximately seven months. In December 1949, total membership was 140,000, mostly in consumer cooperatives and the great majority in city societies.

The movement had already made a considerable contribution toward stabilizing the city's economic life, especially during the period of Kuomintang blockade of the port when there was the danger of speculation by rice merchants, and foodstuffs could be effectively channeled to workers at reasonable prices only through the cooperatives.

From that point, Shanghai cooperatives have expanded rapidly and extended their operations to rural districts. By mid-1950 membership was 330,000, of which 60,000 lived in rural districts. Reckoning an average of three persons to each member's family, this meant that approximately 1,000,000 of Shanghai's 5,000,000 population was reached in one form or another by the cooperatives. Out of Shanghai's monthly needs of 450,000 *tan* of rice, 50,000 *tan* were being distributed through cooperatives while large quantities of seeds, fertilizer, tools and consumer goods were being supplied to peasants in nearby areas.

The experiences of Shanghai have been duplicated, with minor differences, in other urban centers. And in each case priority in organization has been given to workers, students, teachers and government employees as they were the urban groups most urgently in need of cooperative benefits and the most responsive to them.

Thus, at the end of October 1949, out of Tientsin's 410 cooperatives, 260 catered directly to these groups. In Peking the ratio was 113 out of 160 cooperatives, while in Tanshan, Hopei industrial center, by the same month no fewer than 19 out of 20 cooperatives were oriented in this direction, and 16 of the 19 were for factory workers.

The reorganization of urban cooperatives, though a new task, is not an overwhelming one. Urban populations have experience in collective organization. This is particularly true of factory workers, who work as a group and often live as a group. Once the group is relieved of outside exploitation cooperative organization is relatively easy.

Village Cooperatives

The village cooperatives, however, are especially vital. They are the base of the structure, the bottom rung of the ladder which leads from village cooperative to district federation (sometimes directly to *hsien* federation) on to *hsien* federation, thence to provincial federations and to regional federations and, finally, (since July of this year) to the national federation.

The whole structure is in the hands of the members themselves and its success rests very largely with two factors: First, the extent to which member participation in cooperative affairs can be achieved, indicating enthusiasm for or indifference to the cooperatives. Second, the degree of contact which elected cooperative leadership can maintain with the membership, for only through constant contact can the people's needs be understood and met.

Again, this contact is especially important in rural cooperatives because here cooperative organization

Homeward by Wang Chi

comes up against the individualism of the independent producer, the conservatism of the peasant, the isolation of village economy and the tendency of peasants to separate themselves from group action once they have achieved a measure of prosperity. On the other hand, given good leadership, village cooperatives provide a way of improving rural livelihood in every aspect—economic, cultural, health—and every advance in this direction helps also to strengthen ties with the urban economy and thus the national economy.

Example in a Village

To see the overall effect of a village cooperative one must study those of several years' standing. Chi Kuan Chieh Chih Village of Wang Ching *hsien*, Kirin province, is an excellent example.

The people of Chi Kuan Chieh Chih were poor. Between the 1,400 of them they once had only 180 oxen and horses and 64 carts, big and small and broken-down. There was a time, too, when eating grass and searching the hills for weeds and wild plants to fill the stomach was the yearly lot of many a family before the autumn harvest had been brought in.

To hedge against a shortage of grain and make the off-seasons productive the villagers had other occupations beside millet-growing. They collected mushrooms and sold them to the merchants. But the merchants paid a low price for them and sold at a high price to customers. After autumn harvest, when winter was coming on, the peasants went beyond the village to fell timber for the market. But roads were poor, snow would block them and the carts were in bad repair and could not haul a full load.

Sometimes some one or other of the peasants would be so destitute that he had no winter clothes and could not brave the cold winds of the mountain slopes to fell timber.

At other times they made shoes, pressed oil from beans or wove baskets. But everywhere, in every direction, things were against them, deadening even the desire to eat and dress better so that there was even land near the village which could have grown a good crop and yet went untilled. This was before liberation and land reform.

Spinning, by Jou Chien

But in October 1946 a cooperative was started in Chi Kuan Chieh Chih. It has changed the face of the village. It has even given Chi Kuan Chieh Chih some fame.

This was the first cooperative to be started in the province. In the spring of 1948 it was awarded a banner as the *hsien's* model cooperative. In February of this year it was elected "special class model cooperative of Kirin." Yet when the cooperative first opened its doors four years ago it had no more than 170 members, a few hundred thousand dollars (Northeast currency) in share capital, some bolts of cloth and jars of oil and a quantity of salt.

From the beginning, the cooperative carefully studied the villagers' needs and the prices they could pay. It went into the question of where the products of side-occupations could find a market and what other markets were worth looking for. It won the confidence of members and attracted new ones by putting its prices a little lower than those prevailing outside, and when peasants brought items for sale it paid a little more than the open market price. It sought out ways and means to increase the whole village's production, and it turned in a most impressive record.

Challenging Neighbors

When the second spring sowing time arrived in 1948, the cooperative cadres consulted together, bought horse feed, salt, bean oil, hemp thread and tools for the work and organized the peasants to complete the work earlier than usual. This provision raised the peasants' enthusiasm. They challenged the peasants of a neighboring village, taunting them that if they started sowing on the same day, Chi Kuan Chieh Chih would get its work done first.

Chi Kuan Chieh Chih not only won the challenge, completing its sowing on schedule, but opened up 140 *mou* (about 24 acres) of wasteland as well.

While sowing was still in progress the cooperative laid in a further 10,000 catties of grain to bring the village through the summer hoeing and autumn harvest periods. Thirty-four families in distress — they had come to the village in 1947 in complete destitution, without tools, clothes or money — were loaned grain so that not one household had to eat grass and not one *mou* of land was untilled. Before harvest a meeting of members' representatives was called, plans for harvesting were discussed and shortages of tools and supplies solved. Then the autumn harvesting was launched. Chi Kuan Chieh Chih finished 10 days ahead of all the nearby villages.

The cooperative put the same care and enthusiasm into its plans for subsidiary occupations. It found, for instance, that both the district and *hsien* cooperative federations could find a market for charcoal, so immediately following the autumn harvest, and before snow came to block the roads, it gathered a group of members to go to the forest to cut wood and gather branches, organizing all available carts to haul the loads in.

The district federation asked for a fortnightly check on production before payment. The village cooperative, seeing that this put the peasants into difficulties because they could not afford the cash advances necessary for long trips to the mountains, advanced enough money for foodstuffs itself, buying materials to make boots and hats for the woodcutters as well.

Everyone Had Work

Those who had skill and experience in charcoal burning were sent off with a dozen unskilled men to understudy them, while in the village the women and children left behind were organized to weave more than 6,000 baskets to hold the charcoal. Not a single able bodied person in the village lacked work. In three months 450,000 catties of charcoal were burned.

In 1947 the cooperative had first organized its members to fell timber. At that time three difficulties confronted it. First, the men were afraid they would lose money over the sale of timber. Second, they were afraid their experience was too limited, the proportion of skilled men being too low. Third, they did not have enough tools, clothing, carts and horses, hides and food.

However, the cooperative immediately put the unskilled to work learning from the skilled and sent to two nearby cities for 40 more axes. A loan from the cooperative's then extremely small capital covered food and clothing. By pooling all carts that could be spared, the lumber was brought in without loss.

The scheme worked so well that in the summer of 1948 the cooperative and the official district timber bureau entered into a contract and, from the funds advanced against fulfilment, 24 horses, 13 oxen and eight new carts were bought. The year's haul of timber brought the village an additional income of nearly NE-$2,000,000,000. In the winter felling

of 1949 more than 25,000 hardwood logs were cut and 1,280 meters of soft wood were brought into market. These two seasons of work brought about a major improvement in the population's livelihood.

The Kirin provincial cooperative federation put Chi Kuan Chieh Chih's success down to several reasons. The cooperative went out, not to make profits, but to really help the people solve difficulties in farming and other occupations. It paid close attention to the opinions of its members and its decisions were always democratically made. It maintained good relations with the district cooperative federation so that it did not "plan blindly," and in its calculations was always assured of markets and sources of raw materials. Its cadres never lost touch with the members and yet were not afraid of striking out into new ventures.

The chairman in particular came in for praise. When timber collection was first started in 1947, for instance, and the members were troubled by a shortage of tools, he himself walked 60 *li* (about 20 miles) to the *hsien* city to buy 15 axes lest others should feel the responsibility of starting this venture was too great.

Dramatic Village Changes

How then to estimate the cooperative's total effect on the village? By the middle of this year the cooperative had been immensely strengthened. Its membership had risen to 1,120 or 80 percent of the population, its supply and marketing functions were solidly based, and its share capital had increased more than 2,000 times. In the course of 1949 it procured supplies for the villagers worth more than NE$1,500,000,000 and these included farm implements, bean oil and cakes, cloth and a carpentry shop, hoes and sickles and a supply of blacksmith's ovens.

The signs of prosperity were very evident. In place of 64 broken carts there were 144 and all the old ones had been repaired, while the number of oxen and horses had risen to 391. No one ate grass any more and no one went without winter clothes. Less tangible but of immense value, the village had a strong collective organization for production and the cooperative was helping with literacy classes. It had also set up a trust department, the first of its kind in the whole area, and had done away with the old exploitation of high-interest loans.

Its effects could also be gauged in more individual terms. Take the 34 migrant households which had settled there in 1947—304 persons in all. Their destitution had been such that they lacked skill in any occupation. The cooperative called a meeting to initiate aid for them by laying out a plan for teaching them how to work in the fields. Between 1947 and 1949 they were loaned more than 15,000 catties of grain, nearly 3,000 catties of seeds and large quantities of bean cake, grass and daily necessities.

At first these loans were interest free, but at the end of two years they were well enough off to pay the normal interest rate of five percent on new loans. Now most of them have carts and horses of their own and they have learned new skills. As one put it, "When the cooperative has helped us in this way, how could we face people if we didn't work our hardest?"

Or take Wang En-jen. He was one of the poorest of the peasant laborers. The years were hard on him and 1946 was hardest of all. That year his clothes were down to shreds. How could he go up the mountains after timber? But that year the cooperative opened and Wang En-jen obtained the loan of enough cloth to make himself a suit. He brought his timber in that winter, as much as any other man.

And now his whole family belongs to the cooperative and holds 10 shares to the value of NE$1,300,000. He has also been able to deposit a loan of NE$300,000 with the trust department and still has 30 bags of good beans stored in his home against any eventuality.

— *PETER TOWNSEND*

British-Chinese Friendship

by Alun Falconer

London

AMERICAN intervention in Korea and the attempts of General MacArthur to draw British troops into the fighting have brought home to the British people their intimate concern with events in the Far East, in Korea, Japan and China. There is a growing interest in Far Eastern affairs and a keen desire to know the truth about the struggles of the colonial and semi-colonial peoples for liberation.

On another level there is serious alarm over the illegal seizure of Taiwan by the American 7th Fleet and American military and airforce elements. This alarm is expressed as strongly by certain Conservative spokesmen as by Liberal and Communist groups.

One such view was expressed in the national weekly PICTURE POST by Norman Bower, Conservative M.P. for Harrow West, who said: "Any action to prevent a Communist invasion of Formosa must amount to direct intervention in the Chinese civil war . . . " and "If we were to become involved in hostilities over Formosa, it would split the Commonwealth from end to end. It is quite clear that India would not be with us, and it is also well known that there is great uneasiness about the position in Australia, New Zealand, and Canada . . . "

An unequivocal demand for the admission of the Chinese People's Government to its rightful place in the United Nations has been made by Sir John Pratt, leading expert on China affairs with the experience of nearly forty years' diplomatic service in China.

In a letter to the London *Times*, Sir John Pratt wrote: "So long as the United Nations continue to recognise Chiang Kai-shek and his associates now sheltering in Formosa as the Government of China, many will regard the Charter (of the United Nations) as a sham." The letter continues: "After reducing the country to unprecedented depths of misery" the Kuomintang was driven out of China and replaced by a new government which "is honest, purposeful and disciplined and has already dealt successfully with many of the most persistent evils in Chinese society."

This is only one of a number of statements by responsible people in political, trade unions and other spheres in this country who recognize the necessity of admitting the Chinese People's Government into the United Nations without delay.

At the National Committee meeting of the Amalgamated Engineering Union at Blackpool, Mr. Jack Tanner, British engineers' president, said that the new China must be given its rightful place in the United Nations organizations. There was no justification, Mr. Tanner said, for the fact that the delegates of Chiang Kai-shek were allowed to "represent" China; and international tension was bound to increase so long as the firmly established new People's Government was prevented from taking its place with the United Nations.

There is no doubt that the British people desire friendship with the new China. The British-China Friendship Association, organized several months ago, now has 77 affiliated organizations, among the latest to affiliate being the Executive Committee of the Electrical Trade Union and the Association of Scientific Workers.

It is but one expression of the growing belief that friendship with China is a critical issue in the struggle for lasting world peace.

INTERNATIONAL NOTES

Enemies Become Allies

THE American rearming of Japan is not going to make friends of the people of Asia. They had their fill of Japanese imperialism in the 'thirties and in the Second World War. This, along with the rearming of Western Germany, leaves Asia with nothing but a bad taste in its mouth.

A Tokyo story in the magazine *US News and World Report* lets the cat out of the bag as far as American designs in Japan go. Excerpts from the article help reveal American plans for the rearming of the Asian representative of the Second World War's fascist axis.

"A Japanese national police force of 75,000 men, now being formed under his (MacArthur's) orders is looked upon as a new defensive army that can take the place, within Japan, of the US divisions already sent to Korea...The new police reserve is to be operated along army lines...the police reserve is to be manned by former soldiers who are familiar with weapons and the requirement of discipline. It will be commanded by former military officers...Japanese authorities insist that, to do the job right, regular army officers should be 'depurged' and recruited."

Earlier this year, in April, poll-tax Senator Eastland of Mississippi told the US Senate: "We must insist that our allies accept Germany and Japan as equal partners ...Germany and Japan have again become the last outposts of western civilization against those forces which now seek to engulf, enslave and destroy it...The Japanese are our ace in the hole. I think they ought to be armed ...The stuff about a victory of ideas is a lot of bosh."

Down the Nazi Path

CONCRETE evidence of the path America is taking is found in the recently passed McCarran "anti-subversive" bill.

Among its sweeping provisions, the bill requires the registration of Communists and "Communist-front" organizations, authorizes the mass roundup of suspected subversives in time of war or national emergency, and provides stiff penalties for espionage and sabotage.

Opponents have pointed out that one of the gravest dangers to American liberties resulting from this law is that standards for deciding whether or not a "Communist-front" organization must register can be used to force the registration of any group which advocates any policy which is favored by Communists in America. In this manner, an organization or group which advocates a low-cost housing project could be classified as a Communist-front organ because the Communist Party is in favor of such a project.

Although President Truman vetoed the McCarran bill it seemed apparent that he actually favored the bill but wished Congress to take the onus for it—his action having been called a calculated political move, a gesture to the progressive section of the population which supported him in the last election.

Under American law, before the president vetoes a bill he can keep it on his desk for 10 days. According to Representative Marcantonio, "If the president had believed what he said in the veto message he would have waited the full 10 days before sending it to Congress. He would have gone to the people for support, instead of catering to the convenience of his cronies in Congress. It's another Taft-Hartley veto—another phony."

Indicative of the temper of the legislative in America was the action of the House of Representatives. One New York paper, *The Sunday Compass*, reported, "Members of the House, evidently in a jovial holiday mood, began to shout 'Vote, vote!' even before the message (Truman's veto) was read. They refused to consider a motion by Marcantonio to hold a further debate after the reading." The House voted to kill the veto immediately after Truman's message was read, and within an hour "most members were heading for home and fall campaigns."

Even while debate on the McCarran measure was still going on in Congress, many delegates of the 59 nations assembled in New York to attend the UN General Assembly expressed their amazement at the change in the American political climate. According to one commentator, Johannes Steel, they "said that American life, in some respects, is hardly recognizable from what it was like even a year ago. Most of them seem to think that the US is headed straight for a police state on the Nazi German pattern. . ."

American Spy Ring

THE spotlight of a large American espionage ring in the Far East is trained on China, according to a *Hsinhua* news agency story from Peking on October 12. This report states that preparations are under way with American agents at work in Taiwan, Japan and Hongkong forming a network encircling China and reaching from Korea to India, with centers in Tokyo and Taiwan.

Not only are the Americans working with Kuomintang agents in Taiwan and Hongkong, reports *Hsinhua*, but in Tokyo they are working with Japanese war criminals and Chinese traitors during the war against Japan in addition to Kuomintangers in Japan.

An *AP* dispatch in January of this year quoted a Drew Pearson broadcast as saying that General William Donovan, Chief of the wartime Office of Strategic Services and now head of Central Intelligence's "J Group," was conducting secret arrangements with Kuomintang men in Hongkong to lead anti-Communist "guerillas" on China's mainland.

Cheap Soldiers?

WHILE Truman, Acheson and the State Department profess their love and friendship for the people of Asia the American military minces no words about Asia's role in US plans.

Asia's people are evaluated in terms of dollars and cents by the US Army. According to a Los Angeles dispatch by the *Associated Press*, General William L. Roberts has suggested that Asian troops be used for the fighting in Asia. The one-time trainer of the South Korean Army and Constabulary said that white men should be used only as a last resort.

In an address at Fort MacArthur, near Los Angeles, Roberts stated that Asian troops could be paid about five dollars a month and a bowl of rice a day, compared with $75 to $80 a month and up for American troops. Referring to the use of Japanese, the general favored using them, saying, "the Japanese would love to fight for us, but they won't do in Korea; the Koreans hate them too much."

Just before fighting broke out in Korea, on June fifth the *New York Herald-Tribune* reported on an interview with this penny-saving brigadier-general.

"In Korea the American taxpayer has an army that is a fine watchdog over the investments placed in this country and a force that represents maximum results at minimum cost," said Roberts. The advisory group in Korea, which he had commanded, was a "living demonstration of how intelligent and intensive investment of 500 combat-hardened American men and officers can train people who will do the shooting for you."

Economic Stake in Korea

J. P. MORGAN, address 23 Wall Street, has a big stake in Korea. Following the defeat of the Japanese, Morgan's National City Bank of New York was named "fiscal agent" for a firm which owns the mines, banks and at least 50 percent of the farmland of Korea.

Before American troops arrived in Korea after VJ day all this was owned by a Japanese monopoly, the Oriental Development Company. Within a short time, the American Military Government "reorganized" the monopoly. The outfit, the Oriental Development Company, had its name changed to the New Korea Company. At first AMG owned all the stock.

However, it was not long before the National City Bank took over. It handled the bonds for the company. This meant, in effect, Korea was mortgaged to the House of Morgan and to American bondholders. The old Japanese monopoly, as well as the present company, held claims in north and south Korea. Thus, the Morgan firm and the bondholders held claims to all Korea. The land reform in North Korea was a blow to these people. Not only was the farmland they had claim to redistributed among the former tenant and poor farmers, but the mines and banks in North Korea became state property. Only the destruction of the North Korean government and the setting up of a "puppet" government, as existed in the south, could enable Wall Street to show a profit on its bonds.

Under Syngman Rhee's government in the south, American businessmen had a soft touch. The tungsten ore deposits in Sangdong, reputed to be one of the world's largest sources, were American dominated. A New York firm, the Korea Oil Storage Company received the right to handle the oil in Korea. Gilbert Associates, of Pennsylvania, took over the electric power stations. In North Korea, the US-owned Oriental Consolidated Mining Company held the fabulous Unsan gold mines.

For American big business, Korea has industrial potential and cheap labor. Rhee's American economic advisor, Harold Lady, has been quoted on this subject. Said the American official: "A land ripe for the picking, a people fit only to be slaves of the superior lords from the West. Many people overlook one of Korea's greatest assets. It has the cheapest labor force in the world. If I have anything to say about it, it's going to stay that way."

The UN's American troops are trying to make Rhee's advisor's words stick.

Six Views of US Action in Korea

Roy, Havana
Yankee civilizing mission in Korea

Pakistan Times
NEWS ITEM: The US has ordered MacArthur to rush all available aid to Korea.

Daily Worker, London
"I believe someone has criticized General MacArthur."

Front, Brussels
"General, I have a guy here who says he's an expert in the suppression of all types of guerillas."

Throughout the world, progressive opinion has been extremely critical of America's role in Korea, as these cartoons from six different countries indicate.

Prace, Prague
NEWS ITEM: Japanese ex airmen are being recruited for US air units.
"What was your first solo flight?"
"In the attack on Pearl Harbor."

Action, Paris
American aid

INTERVIEW WITH A TEXTILE EXECUTIVE

LONG the country's main industry, China's textile mills have had a history marked by periods of boom and bust. Most of the early mills were established by various foreign entrepreneurs who, using imported cotton and utilizing the cheap labor of the crowded coastal cities, turned out cotton goods which could undersell European and American products in Eastern markets.

Since these "treaty ports" provided the best facilities —power, plentiful labor, etc.—the majority of the Chinese-owned mills were also built along the coast. In the 18 months since the liberation of the East China area—where the majority of the country's mills are located—one of the main problems facing both the government and the textile industry has been how to integrate the mills into China's economy so that their future development will be on a sound basis which will benefit both the mills and the people.

No longer are China's mills to look abroad for their supplies of raw cotton and for a major portion of their market. This "turning around" of the mills has not been easy because it involves some very fundamental changes. For instance, the requirements of the bulk of the Chinese people—the peasants—is for a coarser yarn and cloth than the mills have been accustomed to turning out, while Chinese cotton, generally of a shorter staple than foreign cotton, requires a different handling process.

These problems have been made all the more difficult by the KMT blockade and bombings and the trade restrictions imposed by certain foreign countries, notably the United States. In addition, long years of neglect of the native cotton crop, plus last year's natural calamities, have increased the difficulties.

In an effort to obtain an overall picture of the situation, the *Review* submitted a number of questions to a Chinese textile executive who is connected with one of the largest private textile firms in the country. The questions and his answers follow.

* * *

QUESTION: What is the overall situation in the textile industry now?

ANSWER: At the end of 1949 it was estimated that there were 249 cotton mills with a total of 5,156,987 spindles. At the end of 1949 there were 107 weaving sheds with 68,869 looms. Besides, there are approximately 80,000 to 90,000 power looms which are operated by the dyeing or weaving mills.

The situation in both 1949 and 1950 has been abnormal, as the war forced production in East China to fall off in 1949, while the KMT bombing of the city's power installations in 1950 also lowered production. Furthermore, the cotton crop for the 1949-50 season was poor due to military operations and floods. However, the crop for the 1950-51 season promises to be nearly double last year's.

The number of spindles and looms in East China as of May 1950 are as follows:

	Installed Spindles	*Operating Spindles*	%
Government	1,329,200	1,204,856	90.60%
Private	2,318,744	1,717,615	74.60%
Total	3,647,944	2,922,417	80.10%

	Installed Looms	*Operating Looms*	%
Government	24,651	22,780	92.40%
Private	22,886	15,019	65.60%
Dyeing & Weaving	68,337	61,918	90.60%
Total	115,874	99,717	86.10%

QUESTION: Can China look forward to a sufficient supply of domestic raw cotton in the near future?

ANSWER: I am optimistic over the prospects that China will be self-sufficient in cotton. For the 1949-50 season there were only 8,500,000 *piculs* (approximately 500,000 tons) of cotton raised in the country. Because of the government's positive policy of aid to the cotton growers, the 1950-51 crop is estimated at 15,000,000 *piculs*. It should be possible for China to increase her cotton output to keep pace with the envisioned increase of spindles in the future.

* * *

QUESTION: With the gradual increase of the purchasing power of the people in the rural areas, to what extent will the textile industry be increased in the near future?

ANSWER: Already indications are seen in the increased demand for textile products. Mills in Shanghai have been encouraged to go into full production to meet the demand. It is possible the time will soon come when maximum utilization of all the available spindles will be made by operating the mills in three shifts of eight hours each, since a quick increase in the number of spindles in China is rather impossible.

We will, however, try to increase the number of spindles in the long run, and if possible through our own efforts. Of course this will take some time. In due course, even if the present number of spindles is doubled, the growing demand can hardly be met, as the agrarian reform now under way will increase the purchasing power in the rural areas. The domestic demand for textiles eventually can easily keep 10,000,000 spindles busy.

* * *

QUESTION: Has production per spindle and loom increased or decreased since liberation?

ANSWER: Immediately following liberation production and efficiency went down. Since then, considerable improvement has been made so that by now production per spindle and loom is better than pre-liberation. Waste and production of "seconds" have also decreased. Workers are now taking a more active interest in production and affairs of the mills through the organization of labor-capital consultative conferences. Workers now show more initiative in improving conditions in the mills.

* * *

QUESTION: What about the discipline of workers and their general attitude toward their work?

ANSWER: Workers now show much more initiative in their work. They offer constructive criticism, suggestions, etc. to improve conditions as a whole. Most of the mills, under the leadership of the unions, are witnessing better discipline among workers. In most mills the "search system" (the practice whereby workers were bodily searched before leaving the premises to prevent stealing) has been abolished and in most cases the result is satisfactory.

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QUESTION: The government has been aiding private mills by placing direct orders for yarn and cloth, often advancing the mills raw cotton or yarn for the job. Do you believe this type of help is economically sound or desirable in the long run?

ANSWER: This type of operation, spinning and weaving on government contracts, should be considered only as a temporary measure. This type of contract is aimed at assisting those mills which have difficulty in

obtaining cotton and those mills which haven't enough running capital to purchase cotton.

It is considered as a temporary measure and it is hoped that it will be unnecessary in the long run. It is hoped that the government will allow a reasonable profit to private mills so that they can continue operations without aid in any form.

* * *

QUESTION: What is the situation as regards profit —are the mills showing a profit or loss today?

ANSWER: For two years all private mills have suffered very heavily. Through increased efficiency and production, some mills began to show a small profit by September. It is believed and hoped that by the end of next month all mills will be able to operate at a profit.

* * *

QUESTION: What do you consider the most pressing problems now facing China's mills?

ANSWER: A very grave problem all private mills are now facing is the deterioration of the machinery. This is due to the many years during which it has been difficult or impossible to secure parts and replacements. In some cases this shortage dates back to the beginning of the Japanese invasion in 1937. During World War II it was impossible to obtain such supplies, while in the post-war years, there has been a world shortage of machinery and very little has been obtained.

In this respect the government mills are more fortunate. These mills were formerly the Japanese mills and they were kept in better condition during the war. When the Japanese mills were ordered to scrap 40 percent of their equipment just prior to the Japanese capitulation, only the old or obsolete machinery was junked, thus leaving the mills with relatively modern equipment. This, incidentally, explains why the efficiency of government mills is comparatively high, while running costs are low.

With business conditions gradually improving, it is hoped that private mills will shortly have a chance to improve and modernize their equipment.

* * *

QUESTION: Although the emphasis is now centered on making China's textile industry self-sufficient and on supplying the growing domestic market, what is the prospect for China to hold or increase her former position in foreign markets?

ANSWER: The future prospects for the export of textiles is bright. Not many nations are as fortunate as China in having both raw materials and manpower. We believe China is competitive with any textile producing country in the world. Chinese workers, properly guided and trained, can match skills with any highly industrialized country.

* * *

QUESTION: In the present stage of New Democracy in which the four classes—workers, peasants, petit-bourgeoisie and national capitalists—are united, do you believe that the national capitalists' interests are receiving due attention?

ANSWER: Since liberation, according to our observation, of the four classes, the workers are the most favored group. They are now much better organized and understand their part in the new system. Next, we believe, the government has invited and welcomed opinions of the national capitalists in order to obtain the full benefit of their experience, ability and training in building up industry and commerce.

The government is anxious for the national capitalists to contribute their utmost in the reconstruction and construction of China's economy. It is believed that steps are being taken to offer ample inducement to the national capitalists to further develop and expand China's industry and commerce.

* * *

CONCLUSION: Finally, I would like to say a word in appreciation of the encouragement and assistance which the government has given the textile industry during the past year. Many difficulties, especially those resultant from the bombing of the Shanghai Power Plant on February 6 of this year, have been tided over mainly because of the efforts of the government.

Discussions and conferences have been held between the authorities and the mill executives and ways and means have been found in overcoming innumerable obstacles. From May through the summer months, private mills were able to operate only 80 percent of their spindles at eight shifts per week. Through government assistance, it was possible to work 10 shifts in September and 12 shifts, or full capacity, in October, without any limitation to the percentage of spindles to be worked.

With good prospects for expansion in both the domestic and international markets, we are optimistic over the future of the textile industry.

First National Conference of Labor and PLA Heroes

A SIGNPOST to the entire nation, China's first national conference of worker and soldier heroes ended in October on the theme of liberating Taiwan and Tibet and carrying out the huge job of reconstructing China.

Made up of 464 model heroes in industry, agriculture, and the army, the week-long conference in Peking was an opportunity for these rank-and-file leaders to exchange experiences and pledge their determination to carry out the principal tasks confronting new China.

The Peking conference marked the culmination of a nation-wide drive to select delegates. Those chosen came from among the thousands of model workers and soldiers throughout the country. For the Chinese laborer, the model worker movement has been devoted to increasing production as well as inspiring him with a new attitude toward work.

In the course of their conference the delegates, made up of factory hand, soldier, peasant, and highly specialized technician, met and received reports from top national leaders. Included in the ranks of the delegates were women from field and factory.

These leaders of the nation's fighting forces and working class made known their support of the Korean people and voiced their opposition to American intervention, not only in China and Korea but throughout the Far East.

In a letter of greetings to Chairman Mao Tse-tung, the nearly 500 heroes summed up the achievement of the Chinese revolution by which the people have become the nation's rulers. Excerpts from this letter spoke for all China:

"By overthrowing bureaucratic capitalism, we workers in factories have become masters of the machines instead of its slaves. We not only use our hands to operate the machines but also our brains to improve them so as to increase our cutput, add to the wealth of the state, and improve our own livelihood.

"By overthrowing the landlord class, we peasants have acquired land. We are able to work our land with more diligence so as to produce more grain. We not only no longer suffer starvation, but lead an ever better life with each passing day."

Changes in the Capital

. . . . DUNCAN C. LEE

Physically, as well as spiritually, Peking is becoming the capital of new China. The Workers' Cultural Palace is an example of the many changes in this ancient city.

IN these days of many changes it is not only the atmosphere and spiritual outlook of Peking which are new. Almost every day there is a new change in the capital's physical appearance.

Sometimes the changes are so rapid that a resident living in an outlying district will find himself a little bewildered when he goes downtown. Antiquated buildings of little or no historical value are disappearing and in their place new, modern structures are springing up. Bumpy and pitted roads are being resurfaced, many with asphalt.

Visitors to Peking must remember the Tien An Men, the entrance to the Forbidden City. This has been the scene of great changes. The big square in front of it, built last year for the ceremony marking the proclamation of the new People's Republic of China, has undergone new alterations resulting in its being made even more attractive.

On the north side of the Tien An Men Square the ground was paved with cement. Many pillars and poles designed to match the two old ones, were erected on both sides and crowned with magnificent big lamps. The marble rails along both sides of the Imperial Brook, just in front of Tien An Men, were beautifully trimmed.

Two long, flat tablets with characters "written" in neon lights (Long Live the People's Republic of China and Long Live the Unity of All Peoples of the World) hang on the front walls of Tien An Men. Right over the gate hangs a 10-foot portrait of Chairman Mao Tse-tung, facing the square.

Along the inner bank of the Imperial Brook, a long platform was built for reviewing the parade. Above all, the walls of the nearby buildings were painted a reddish-brown, adding a lively yet solemn air to the square. All of this work was completed before October 1.

The October 1 parade was most impressive. Beginning at 11:00 a.m., it required six hours to pass Tien An Men. The organized groups participating included 15,000 children, 60,000 factory workers 4,000 suburban peasants, 3,000 Moslems and other national minority groups 60,000 public functionaries, 75,000 students, 100,000 organized workers and civilians 6,000 theatrical players and 100 000 selected contingents of army, navy and air force men.

On this day and for the following two days Peking was literally shaken with celebrations. Buildings vibrated to the sound of drum corps and bands, while the air was filled with songs, slogans and cheers.

On October 2 countless thousands of the city's residents thronged Tien An Men Square to view the various types of entertainment being put on. The people, mostly dressed in new clothes, made one think of Chinese New Year when everyone dresses up in new outfits. The performances were endless. There were acrobatic troupes, choral groups singing the songs of China's different minority races, as well as those of the new democratic countries, peasant comic troupes, students putting on new variations of the *yangko* dance, and so on.

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Workers' Palace

ALONG with Tien An Men one of Peking's greatest sights is the new Workers' Cultural Palace. It is the former Tai Temple, originally built 500 years ago by the Emperor Yung Lo of the Ming dynasty as a shrine for the god of his ancestor, Chu Yuan-chang, first emperor of the Ming dynasty.

When Li Tsuang-wang, the Ming militia leader, was driven out of Peking at the end of the Ming dynasty by the Manchus, all but the front palace of the temple was burned down. Later, the Manchu emperor rebuilt the Central and Rear palaces, as well as the smaller palaces on the right and left sides.

The new workers' social center, according to tradition, really represents the blood and sweat—and the lives—of workers and *lao pai hsing* (common people). When it was completed in 1420, it is said, Emperor Yung Lo ordered cypress trees planted in the park in order to add a solemn air to the temple. However, the trees failed to live. Finally the angry monarch killed all the gardeners. A new attempt to plant trees also resulted in failure and those gardeners too were put to death.

After several such experiments, the emperor's alarmed courtiers persuaded him to change the soil of the park. Yung Lo agreed and ordered all the houses standing outside the northeast corner of the Forbidden City to be raised so that the soil upon which they stood could be removed to temple grounds. However, the inhabitants of the houses drafted a petition of protest to the throne. The emperor immediately ordered the execution of a number of the petitioners.

When the soil had been changed, the emperor's courtiers persuaded him to plant the first cypress himself. This tree lived and the tragedy ended. This first tree was thenceforth called the "Godly Tree."

In 1924 when the last Manchu emperor, Pu Yi, was forced from the Forbidden City, the park was opened to the public. However, it was later closed by the KMT, and the Ministry of Interior occupied it. In 1931 it was again reopened as the Tai Temple Park.

It was formally opened as the Workers' Cultural Palace on May 1, 1950, after several months of repair work. During the five months since its opening this ghostly and formerly unfrequented place has become a center of great activities. The old silence has been dispelled by the near 'round-the-clock sounds of songs, laughter, music and the hum of hundreds of voices. In the shade of the cypresses, workers, students and others read, play, sing, dance, hold discussion groups and tell stories.

The Front Palace has been converted to serve as an auditorium, exhibition hall, class room, place for big meetings, etc. as the need may arise. It is as large as 40 ordinary Chinese rooms, magnificently built with yellow tiles and Han bricks and surrounded by beautiful marble rails.

A large piece of red cloth hangs under the huge eave, bearing the Chinese inscription meaning "Love the people, love the country, love labor, love science and guard state property." Over the second entrance hang big portraits of Chairman Mao and Generalissimo Stalin, with multicolored silk streamers draped overhead.

The side palaces were at first turned into rooms for pingpong, chess and so on. Later, they were converted to exhibition halls. Many great exhibitions have been held here, such as the All China Health and Medical Exhibition, the costly Rumanian Exhibition, the Sino-Soviet Friendship Exhibition, etc.

To meet the needs of hundreds and thousands of visitors, a postal and telegraph kiosk was set up at the main entrance, while the National Sin Hua Book Store also put up a book stall. A gym is located at the east corner and is the scene of frequent basketball games.

The library, situated at the northeast corner, opened at the time of the inauguration of the Palace. It stocks more than 10,000 books as well as newspapers and magazines from all provinces of China. It is one of the most popular features of the Palace. Only recently the Workers' Theater was completed in the northwest part of the court, which formerly was the garden reserved for the spirits of Manchu emperors.

On October 3 nearly 50,000 workers, students, public servants soldiers, peasants and others participated in a mammoth party given in the Palace. More than a dozen kinds of plays, shows, opera, dances and so on were performed. The party ended with a mass dance in which several hundred people participated.

The spectacle of these people, young and old, boys and girls, peasants and soldiers, workers and officers —all strangers—enthusiastically joining in the dancing, gave one an insight into the vast social changes which are taking place in China today. No one bothered about another's business, profession, rank. I saw many a friendship begun as the laughing and talking dancers exchanged autographs and addresses.

New Treatment for China's Law Breakers

The drum corps leading a group of prisoners as they set out for Hsinhua. The banner reads: "Reform by Labor. Leaving for 'Self-Improvement' Village."

A group of Shanghai's juvenile delinquents leaving for Hsinhua.

One of the things which liberation has brought to Shanghai and the other major cities of the country is a new deal for the nation's prisoners.

Recognizing that law-breakers are the products of the old society and that they come largely from the ranks of the unemployed and the refugees—who were constant features of city life under the Kuomintang—and realizing that the old method of treating criminals neither cured nor prevented lawlessness, the new government is making every effort to reform the country's penal system.

In the jails and prisons conditions have changed markedly. Prisoners are no longer crowded together in small cells and left in idleness. Many new prison projects have been inaugurated which aim at teaching the prisoners useful skills and also at giving them a chance to understand and respect the necessity for honest labor.

In addition, whenever possible, prisoners are removed from the jails and given a chance to engage in productive labor on the outside. During the past year a number of rural settlements, built, administered and inhabited by prisoners have been established. In some areas prisoners have been working alongside farmers and PLA men on dike construction and repair.

The juvenile delinquents and the older prisoners shown in these pictures are some of those from Shanghai who have gone to Hsinhua, or "Self-Improvement" Village, as they call it, where they are given a chance to reform through labor.

After their arrival at Hsinhua

A group of former reform school inmates attending a class at Hsinhua

CHINA NOTES

Catholics Abandon Fu Jen

FU Jen University, a Catholic school in Peking, was formally taken over by the Chinese government after Catholic Church authorities, insisting that financial support would only be available if a new board of trustees were appointed by the Church, had cut off funds and brought the school to the verge of closure. In view of these conditions the government stepped in arranging for funds to keep the university, with its 3,000 students, faculty members and workers, going.

As far back as July of last year, six months after the liberation of Peking, the Church began cutting down on the university's funds. Despite this the school continued to function under the Church administration. However, by the beginning of July of this year, American representative of the Church, Harold W. Rigney, became more outspoken and demanding.

After notifying the chancellor of the university that no more funds would be made available unless a new board of trustees was appointed with the Church's approval, he also stated that the Church must have powers of veto through its representative on matters regarding the employment of personnel. In addition, he stated that the annual budget was to be further reduced.

This was soon followed by a new demand. Rigney insisted upon the dismissal of five professors as a condition for supplying funds. Because of opposition to the Church line, which was tantamount to blackmail, by faculty members, students and workers, the Church cut off funds in August.

According to Minister of Education Ma Hsu-lun, this action on the part of the Catholic Church was an attempt to force the university to surrender to the terms raised by Rigney. Thus, in August, acting on the request of the university's authorities, the government alloted the necessary funds to the university to enable it to carry on.

On September 25, the Minister of Education explained to Rigney that religion and college education are two entirely different matters which should be clearly separated. Rigney was told that the Church should not interfere in the administration of Fu Jen. In the course of their talk, Minister Ma notified Rigney that the Church can provide subsidies for the university and conduct religious courses. However, these classes cannot be made compulsory because every Chinese student has the freedom to disbelieve in or criticize religion, just as he has the freedom to believe in religion. As to the employment of professors, Rigney was informed that this was a matter within the sphere of the university's administration and the Church has no right to interfere.

Five days later came the final act which brought on the government takeover. In reply to Minister Ma's talk of the 25th, Rigney stated that he had received cabled instructions from his highest ecclesiastical superiors which read: "Because of conditions cabled September 26, subsidies definitely discontinued. Unless conditions essentially changed, Church upholds its decision even should you and all fathers request reconsideration."

Following this reply, the Ministry of Education of the Central People's Government officially took over Fu Jen University on October 12.

Commenting on the takeover, Minister Ma stated: "The sovereignty of education has no connection with the question of religion. Therefore, the government guarantees that all Catholics in the university will be able to work as usual and to study religious courses at their own wish. This is a point which I must emphasize."

Repression on Taiwan

A KUOMINTANG soldier's lot is not a happy one. On Taiwan, according to a *Reuter's* dispatch, the Southern Army Command "will continue a ban on officers and men marrying or getting engaged."

Despite the American 7th Fleet and units of the US air force, the KMT apparently is not feeling very secure on its "island fortress." An *Associated Press* story from Chiang's empire reveals that Taiwan has become a place where virtually everyone is an official snooper. This is the result of a government-inspired system of guarantees which requires practically everyone to be vouched for by some organization or person.

According to *AP*, "Under regulations decreed by the cabinet, all personnel of government bodies, the armed forces, factories, schools and other organizations must be guaranteed by at least two other persons. At the same time, every household must be guaranteed by at least three other households. Severe punishment was threatened anyone who harbors or shields fifth columnists."

While the KMT invents rumors about "oppression in China," millions of Chinese here, who saw enough of Chiang and his gang of buccaneering grafters, have one question. "Who's going to guarantee Chiang and company?"

* * *

Northeast Industrial Growth

IN China's industrial heart, the Northeast, state-owned industries have been swiftly restored in the past year and a half. A year by year breakdown of statistics reveals that if the total value of production of these industries for January, 1949 is taken as 100, it equalled 385.9 in December, 1949, and 664.9 in June of this year.

National construction is the number one item in China, and in the Northeast great attention is being paid to training skilled workers. Half of the 240,000 new workers enrolled in industry this year are unskilled and 60,000 of these are now undergoing various forms of apprenticeship training. After-hours' technical courses and short-term technical schools have been set up all over the Northeast.

Hand in hand with forward strides in economic reconstruction in the Northeast is the growth of children's nurseries for the benefit of women workers. In 1947, only four factories had nurseries, with 24 nurses. Today, there are 45 such nurseries, of which 37 were established since 1949. Meanwhile, plans are under way for a further extension of nurseries, kindergartens and trained nurses.

* * *

Training Beggars

A PROGRAM for special training of beggars has started in Chengtu, capital of Szechuan province. Beginning on a small scale on August 30, the local people's government opened its rehabilitation drive. In the first week, 730 beggars were cared for. By the middle of September the government program was enlarged.

According to preliminary figures, more than half of these 730 beggars had been handicraft workers, poor farmers and small merchants who lost their means of livelihood in Kuomintang days. More than 40 percent of the 730 were found to be suffering from hunger and disease.

Under the present rehabilitation program these former beggars of Chengtu will attend classes and be trained. The purpose of the training is to give them a chance at under-

standing that their future depends on the ability to reform themselves and be willing to go back to work. Following the inauguration of this program, more than 100 additional beggars voluntarily asked for rehabilitation training.

* * *

Communications Conference

A STEPPING up in the maintenance and improvement of Szechuan's highways was decided upon at a recent meeting of the Department of Communications of the Southwest Military and Administrative Commission. It was deemed essential, in view of the present lack of overland communications, to make the most use possible of all existing facilities in the province for inland navigation.

This rich southwest province has more than 7,000 miles of navigable rivers and streams and more than 18,000 wooden boats which are larger than four-ton capacity. The total tonnage of these bottoms exceeds the present transporting capacity of the province's steam vessels by four times. Great effort is to be made in organizing and controlling this important fleet.

Making use of both land and water communications to the best degree possible will serve as a stimulus to the drive to improve the province's economy by exchanging more goods between town and country.

Returned Students Obstructed by US

As more and more Chinese students in America return to participate in rebuilding their homeland the US government is doing its utmost to obstruct them. Playing on the current "A Bomb" scare in the US, not only have two prominent Chinese scientists been arrested but hundreds of returning students have been treated as potential spies.

* * *

THE none too subtle attempt by the American government to obstruct Chinese students and scientists from returning home has produced a strong reaction in China. The detention of Chinese scientists and the indignities at the hands of American and British authorities suffered by returning students has caused widespread resentment. It has also made it quite evident to the Chinese that such obstructionist tactics are an effort to prevent those people who have a technical role to pay in China from joining in the present effort now going on here in building a new nation.

Using America's present nationwide "atomic" frenzy as a pretext, US officialdom has illegally detained two prominent Chinese scientists, Dr. Tsien Hsue-shen and Professor Chao Chung-yao. Both men were members of the California Institute of Technology.

Dr. Tsien, who had applied for a visa to return to China in August on board the *President Wilson* was arrested and accused of attempting to ship confidential scientific information to China. He was also charged with being a member of a subversive organization. However, according to the *Associated Press* on September 23, long after the *Wilson* had left America, "US attorney Ernest A. Tolin said that although investigation of the seized documents is continuing, little that is at present classified as restricted has been discovered."

Professor Chao, who American press reports made known was famous for his advanced research on atomic energy, was taken off the *Wilson* after it docked in Yokohama on the way to Hongkong. In addition, four Chinese students were reported taken off at the same time by officers of the US Eighth Army. Charged with being accomplices of Dr. Tsien, the five were taken into custody without further information as to where and for how long they were to be held.

* * *

THERE were 115 Chinese students who made the return trip to China on the *Wilson*. Dogged by plain-clothesmen even before they left America, these returnees were treated like suspected criminals from the States to Hongkong.

On August 28, before their ship left Los Angeles, the *Wilson* was boarded by immigration authorities who subjected Professor Chao to a question barrage and a minute search of his luggage and personal papers. Arriving in Yokohama, none of the group were allowed off the ship despite its layover in that port.

When the ship docked in Manila on September 17, American agents came on board. One of the students, Pao Wen-kuei, was subjected to a four hour search of his belongings, which, for the searchers, proved fruitless.

Arriving in Hongkong, getting off stop for proceeding to Canton by rail, the luxury liner was met by British police and immigration authorities. They flung a strict cordon around all entrances to the ship. Neither visitors nor reporters were allowed aboard. Aside from seven students, who had special entry visas, none were allowed on shore although their destination as far as their ship's passage was concerned was Hongkong. They were all cut off from phone communication in order to make it impossible for them to contact friends on shore. They were compelled to leave Hongkong, under escort to the Chinese-Hongkong border by immigration officials and representatives of the shipping company.

According to one Hongkong paper, "The students were carried by two special chartered launches. . . . . Several dozen policemen supervised the removal. Relatives and friends of the students at the railway station (Hongkong to Canton—Editor) however, were permitted to speak with the group through the iron gate. The conversation, nevertheless, was held under the surveillance of the policemen."

* * *

IN bold contrast to the treatment accorded them by the American and British authorities has been the manner in which the returned students have been received in new China.

What is just as important is the way in which they are welcomed by the government . . . a sharp difference from the contemptuous treatment and spying they were subjected to on their way home. In Shanghai, at an official reception for the returned students, a vice-director of the Department of Education welcomed their return home and expressed his sympathy for the experiences they had had on their journey. In Canton, where the government gave them a welcome party one of the students protested, saying that it was not right for the government to spend money on them. One member of the welcoming group then replied that all these students were like sons returning home, and in such a case what parent would not be overjoyed.

Already many of them, in the past few months, have either joined the government or have gone to work in the many construction and reconstruction activities in progress throughout the nation.

Chou En-lai on America

IN his foreign policy report to the nation, Premier Chou En-lai expressed the feelings of his countrymen in dealing with the effect American actions in Taiwan and Korea have had on China.

According to the premier, these acts have revealed America as a dangerous foe of China, and American forces may expand their aggression at any time under the direction of General MacArthur who "long ago has disclosed the aggressive designs of the US government, and is continuing to invent new excuses for extending its aggression."

The Chinese people are determined to liberate Taiwan, Chou went on to say, and they are closely following the Korean situation. Referring to the peace-loving nature of the Chinese, he pointed out that millions have signed the Stockholm peace appeal.

"It is obvious that the Chinese people, after liberating the whole territory of their own country, want to rehabilitate and develop their industrial and agricultural production and cultural and educational work in a peaceful environment, free from threats. But if the American aggressors take this as a sign of the weakness of the Chinese people, they will commit the same fatal blunder as the Kuomintang reactionaries. The Chinese people enthusiastically love peace, but in order to defend peace they never have been and never will be afraid to oppose aggressive war. . ."

* * *

Education for the Masses

WORKER and peasant learning continues to be the keynote in new China's educational plans. The First National Workers' and Peasants' Educational Conference, held in the nation's capital, dealt with the subject of expanding educational opportunities and facilities for China's millions.

In line with the policy of enlarging the drive for education of workers and peasants, the conference decided that such education at present should stress general knowledge—basically reading and writing—in an effort to eliminate one of China's greatest handicaps, illiteracy. However, this is to be linked with political, technical and hygiene education for the masses.

Appearing before the conference, the Minister of Education pointed out the contrast at present with former days in the field of education. In the past year nearly 700,000 workers attended spare-time schools and more than 10,000,000 peasants, in the areas of China where land reform has been completed, took part in winter educational classes.

More than 500 delegates attended this conference, including leading members of the various government organizations concerned, representatives of workers, youth and women's orgnizations, and model teachers and students.

* * *

Study at All Levels

ALL over the nation there has been a great upsurge in study. From worker to professor, from peasant to technician, emphasis not only has been to raise cultural levels but to grasp and understand the meaning of New Democracy and "serving the people."

Building a new China has brought on the need for a great number of cadres with political consciousness and cultural knowledge. To train these important workers the government has attempted to raise the cultural level of a large number of its present cadres, particularly those from worker and peasant families. It has done this by setting up worker and peasant schools, as well as supplementary cultural classes. Another method has been the training of former government functionaries and intellectuals in an attempt to equip them with a new outlook toward serving the people.

In reforming the schools, work got under way gradually during the past year. In the future, it is expected to be carried out more efficiently in order to ensure a good supply of necessary cadres for the military, political, economic, and cultural fronts.

Hand in hand with the surge forward in study at all levels has been government efforts in carrying out a reform and popularization of China's publications and art. The volume of books, periodicals and journals being published has increased immeasurably. The past year has witnessed many constructive steps in doing away with illiteracy.

* * *

News Brevities

IN Shanghai, public opinion is deemed important by the municipal government. Recently, it issued a circular to its various subsidiary organs calling attention to public criticism. The circular carried many criticisms which had been submitted by the general public. The units concerned were instructed by the city government to carry out an investigation and report on their findings. The aim of this was to improve government work and ensure closer relation with the public "through self-criticism and assistance from the masses."

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A REPORT from Hangchow states that the People's Government of Chekiang province is going to establish agricultural colleges in four different provincial cities before the end of 1950. This is in line with efforts being made to train much needed agricultural personnel.

* * *

AS part of the government plan to raise agricultural production, the insurance of cotton harvests and draught animals has been undertaken in China. In cooperation with agricultural colleges, veterinary teams are sent out every month by the government insurance company to examine the insured animals and inoculate them against disease. A number of private insurance companies have joined an insurance pool organized by the government company.

* * *

THE Bureau of Education in Shanghai has opened nine night schools, in addition to the existing seven schools, for the autumn semester. The object of these schools is to broaden the scope of education of unemployed workers and students who cannot afford to pay for an education. These night schools fall into two categories, for workers and for ordinary students.

* * *

CHINA'S list of signatures to the Stockholm peace appeal neared the 200,000,000 mark by mid-October when official figures revealed that 190,191,794 signatures had been collected. This figure was 40 percent of the nation's population of 475,000,000.

In East China, the country's most heavily populated area, more than 40 percent of the population has signed up. Over 56,000,000 signatures collected in this area overshot the original target of 55,000,000 signatures set in September.

The nation-wide target of 200,000,000 is expected to be reached before the opening of the Second World Peace Conference in Sheffield, England, from November 13-19.

* * *

FOLLOWING the summer floods in north Anhwei province a great many refugees arrived in Shanghai. In the past few months thousands of these refugees have been sent back to Anhwei and given work on government flood control projects on the Huai River, cause of the summer floods.

World Youth Group Tours China

THE past two months' visit to China by delegates of the World Federation of Democratic Youth has made a lasting impression not only on the Chinese youth but on the people as a whole. The delegation's tour of China, participated in by delegates from 32 countries, was a concrete manifestation of the spirit of international friendship and the determination of the 70,000,000 WFDY members to fight for world peace.

Ever since the Stockholm session of the Standing Committee of the World Peace Congress issued its declaration demanding the unconditional banning of atomic weapons earlier in the year, the WFDY has made the mobilization of world youth for peace its number one task.

In May, the Executive Committee, at its Berlin meeting, called on the youth of all nations to expand the campaign for collecting peace signatures, particularly in those places where it had not been developed on a large scale. The committee laid stress on the fact that through the peace appeal the youth of all the world, of different political and religious beliefs, can be united to take part in the fight to defend peace and oppose war.

In all countries youth, who must do the fighting and dying in any war, have played a vital role in collecting the hundreds of millions of signatures which have been signed in support of the Stockholm peace appeal. Regardless of what political and economic system they live under: whether they are welcomed by their government as in China, the Soviet Union, and the East European democracies; whether they are officially disapproved of as in America, Britain, West Germany and other countries; or whether they are openly repressed as in the colonies of Asia and Africa, the WFDY has been one of the main motivating forces in the world-wide landslide of votes for peace.

* * *

FROM the moment the 48 youth delegates first set foot on Chinese soil they received a resounding and enthusiastic welcome from China's young and old alike. Among the delegates were representatives from Italy, France, America, the Soviet Union, Britain, Korea, Mongolia, Poland India, Czechoslovakia, East Germany, Albania Hungary, Rumania, Cuba, Brazil, Finland and Africa.

With their arrival at Manchouli in the Northeast the delegates began a journey across the face of China as far south as Canton. They visited the major cities of China, and for millions of Chinese this group of youth delegates was a symbol of internationalism set before their eyes. Perhaps no greater effect was made throughout China than the realization of the true meaning of international solidarity as the Chinese saw, heard and read about these 48 young men and women representing a host of races and nationalities.

The delegates were not only from nations with an ideology similar to new China's. At the same time American planes flew over the Northeast bombing and strafing towns, delegates representing progressive American youth were in China making it known that the youth of the US are opposed to war. While the British in Hongkong were expelling Chinese labor leaders and mistreating Chinese students returning to their homeland, delegates from the ranks of British youth were making speeches attesting to the demand of British youth for true Sino-British friendship.

The arrival of the delegates in the national capital, Peking, was greeted by a demonstration of international friendship in the form of a huge rally. More than 50,000 young Chinese men and women cheered clapped, sang and roared their full-hearted approval on the beautiful grounds of the former Imperial Palace.

In the bright fall sunshine, the gaily colored banners of youth from high schools, universities, factories and various cultural and social organizations waved below the high rostrum where flags of all nations were flown alongside pictures of progressive leaders of all countries. From the moment the band struck up the tuneful "March of Democratic Youth" and flocks of white doves were released until the close of the rally, the keynote was the desire of millions of people all over the world to remove forever the threat of war and aggression. As the delegates made their way out they were hard put to get through the solid cheering throng of excited and friendly youthful well-wishers.

Throughout their entire visit the delegation had a crammed program. In the new China undergoing rebuilding and construction there are many things to see and the visit was comparatively brief. However in carrying out their crowded intinerary, a visit to a factory or a school, or participating in the many meetings held in their honor by Chinese youth and organizations, the delegates were always met by an audience both warm and responsive.

* * *

IN turn the new China, only a short year old, made a profound impression on the delegates. According to the head of the WFDY delegation, Enrico Boccara all were greatly struck by the strength and unity of both the Chinese youth and the people. He said: "All the delegates were impressed by the unity between the army and the people and the unity between all classes and sections of the people."

The American delegate, a Negro youth, in a press interview in Shanghai, said he considered it a great achievement that the people's government of Shanghai had succeeded in uniting such wide sections of the people, including commercial circles to build a new city which erased the signs of past imperial rule.

A typical example of the manner in which this group was received was the scene at the Shanghai railroad station when they departed after a three-day visit. According to the *Shanghai News*, "At 5 o'clock yesterday afternoon one group after another of Shanghai's youth swarmed into the station in order to bid farewell to the honored guests. By six o'clock a crowd of people had lined up from the station square to the platform. Songs and slogans burst forth as the WFDY delegates arrived. Many young men and women pushed their way forward to shake hands with the delegates as they reached the platform accompanied by Mayor Chen Yi and youth representatives."

BOOKS OF INTEREST

HALFWAY TO FREEDOM, ***A Report on the New India in the Words and Photographs of Margaret Bourke-White, published in 1949 by Simon and Schuster, New York, 244 pages, 115 photographs, price US$3.50, reviewed by C. S.***

* * *

MISS Bourke-White is an expert photographer. In addition, she knows how to pick her subject matter and has the journalist's touch for getting a good story.

India during the trying years from 1946 to 1948 made excellent material for this artist. She saw, reported and photographed the massive exchange of populations with the birth of Pakistan and independent India. Her pictures are vivid documents of the dreadful suffering of millions in this "uneconomic and unreal division," as she terms it.

She met the great and near-great, and talked with the workers and peasants. She interviewed Gandhi, Nehru, Jinnah, Patel and leading industrialists and maharajas, and was on hand to photograph the huge demonstrations at the death of India's beloved spiritual leader.

Among all her illustrations, there is not one picture of the Taj Mahal nor the usual tourist attractions. Instead, there are photographs of workers' hovels in the cities, of peasants starving from famine, of the haughty attitude of brahmins and the moneylenders. And in order to make doubly sure the point gets over in the picture, the author's captions tell the story again.

One caption reads: "The young tannery worker is treading hides in a lime vat. Unless he washes every 15 minutes with a neutralizing agent, the strong solution eats away the flesh. Many hideous deformities result. The Tannery Workers Union is fighting for rubber gloves and protective aprons."

And under a picture of an old peasant, "He is India, more than temples, caste or maharajas. The 360,000,000 farm peasants are 90 percent of India's population. They live only a step from the threshold of famine. With primitive implements they scratch out the meagerest livings, struggling to feed their families, meet the land rent, pay the moneylender. A broken plow, a stricken ox, a poor crop may put a man in debt beyond a lifetime's repayment, at the baniya's rate of interest, and thus generations become bound to the moneylender's wheel."

There is more than just pictures to this book. Miss Bourke-White traveled from one end of India to the other, from the fighting in Kashmir to the famine in Mysore. And one thing that struck her most was the great gap between the professed good intentions of the present government leaders and the actual carrying out of such reforms.

She saw the maharajas and moneylenders still living the life of luxury with no sign of land reform for the oppressed peasants. The industrialists were doubling and tripling their profits while workers were living in appalling conditions.

Though she mentions the areas in Hyderabad which are now under a people's government and where land reform has been carried out, it would have added greatly to her book if she had been able to visit and see first-hand a comparison there with the conditions in other parts of the country which she so vividly describes.

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FOR those with little background on conditions and problems of India and Pakistan, this offers a very readable and informative introduction.

However, the author has not pretended to give an authoritative political or economic analysis. She presents what she saw and voices her hope that gradually things will work out better for India's people. She believes that there are many in the present government who share this hope with her, including Nehru. She also knows there are others—and more powerful figures—whose interests are closely tied up with the industrialists and landlords and who are the real rulers of India today.

WE BUILD A NEW COUNTRY, ***Stories of Young Chinese Workers, published by the All China Federation of Democratic Youth, 3 Yu Ho Chiao, Peking, 1950.***

* * *

TIEN Kwei-ying, the first woman locomotive driver in China, is a 21-year old girl from Dairen. Previously her only hope had been to find a husband who would support her, but at the night school for Dairen Railway Bureau workers, she learned of the new opportunities for women.

In applying to train as a locomotive driver, she had to face her family's prejudices as well as the scorn of some of the railway-men who thought a locomotive was no place for women. But she and many others like her have shown that in new China women are free to enter all fields.

Model worker Pan Chang-yu is famous in Tientsin for leading the workers to repair a huge furnace while it was at high temperature. Like many of China's workers he had started working as a child laborer

— By Wu Kiang

Production emulation drive in the forge of Tangshan Railway Factory

and had little chance for an education. Through his new enthusiasm and outstanding ability, he has now been promoted to deputy chief of the steel section of the Tientsin Steel Works. In his spare time he is studying in the third grade of a workers' school.

* * *

THEIR stories are two of the eight included in this pamphlet. The collection is attractively illustrated with an excellent woodcut by Wu Kiang showing the production drive at the Tangshan Railway Factory and pictures of China's youthful heroes. Also included are the words and music to the well-known song, "We Workers are Strong."

This pamphlet will be of interest to those who want to be informed of the changes which are taking place in new China, since the changes are clearly reflected in the lives of China's youth.

ON THE PARTY, ***a verbatim report on the revision of the Constitution of the Communist Party of China delivered by Liu Shao-chi on May 14, 1945, to the Seventh National Party Congress. Published by Foreign Languages Press, Peking, 1950.***

* * *

IN his report to the Seventh National Congress, Liu Shao-chi, who is a member of the Secretariat of the Central Committee of the Communist Party of China, pointed out the reasons that the Constitution of the Party needed to be revised.

It had been 17 years since the Sixth National Party Congress had been held in 1928 and conditions both inside and outside the Party had greatly changed during that tiime so that many provisions of the Constitution adopted then were no longer applicable. In addition, rich experiences had been accumulated by the Party and these experiences should be summed up and used to reinforce the Constitution.

His report covers the many experiences that the Party had during its long years of struggle and he particularly emphasizes the importance of the Thought of Mao Tse-tung as a guidance to revolutionary action. Many of the problems faced in the Chinese revolution had never before been raised by the world's Marxists, and the application of Marxism to China through Mao's writings constitutes one of the greatest achievements in the history of the Marxist movement all over the world.

The Party, as the vanguard of the working class, offers the revolutionary leadership, Liu stated, but only if the Party establishes proper and close relations with the masses. "It must stand for people's interests in every field, first of all, in the political field."

In his detailed report he analyzes the use of criticism and self-criticism by Party members, the qualifications required of people who are recruited to the ranks of the Party, their responsibilities and their rights as Party members.

The book includes the Constitution of the Party as adopted at the Seventh National Party Congress.

This is a valuable report as it sets forth clearly the role the Party has played and will continue to play in leading China along the road to socialism and communism.

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the progressive newsweekly

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Letter from Shanghai

LESS than two years ago Shanghai was an open shop town—the kind bosses dream of. The police and KMT army were always available to keep labor down. A phone call to "easy-to-talk-to" Mayor K. C. Wu by some strike-threatened firm was enough to get out the riot squad.

Shanghai's working class has a history of more than 20 years of underground struggle—ever since workers were slaughtered in the streets by Chiang Kai-shek in 1927, until liberation in May, 1949. Today, perhaps there is no single symbol to mark the changed state of affairs for Shanghai's workers than their new social center—the main one for the city's union members.

Located in a former hotel in the downtown area, the "Shanghai Workers' Cultural Palace" is housed in a seven-story building. Since its October first opening, factory hand, office worker, and school teacher alike have been making use of its facilities which range from Chinese wrestling to Western sculpturing classes, from ping pong to getting a tooth pulled.

Services which the workers could not even dream of a short time ago are now all on hand. On the ground floor, immediately upon coming into the building, in front of a large auditorium where movies and plays are shown is a marble bust of Mao Tse-tung—a reminder of the struggle and victory of China's workers.

In the field of recreation there are rooms for boxing, wrestling, ping pong, chess and fencing. There are separate rooms for music, both Chinese and Western, sculpturing and dancing, while a gym provides facilities for physical workouts. On the surrounding walls are pictures in color of athletic events in the Soviet Union.

The two libraries are noteworthy. In the old China knowledge was reserved for the elite. A free lending library for workers was unheard of. Books here range from fiction to politics. A few of the magazines are in English and Russian.

A section is devoted to collections of documents and newspaper clippings dealing with the 22-year struggle of Shanghai's workers to get rid of the Kuomintang. Even more realistic are the personal effects on display of workers who were put to death by the Chiang regime. There is also a documented account of the student movement which suffered under the KMT lash. Copies of blacklists of both workers and students which were in the hands of the KMT authorities are to be seen.

Women members have a room with 36 sewing machines for their use. There are also replicas of recent inventions by Shanghai's "model workers." Throughout the entire center are news photos showing China in its first year of liberation.

For the use of its members, the center provides a hospital and a clinic. Treatment at most reasonable rates is available. Surgery, internal diseases, eye and ear cases, and dentistry are all handled.

Small pads on which members can jot down suggestions are placed in the different rooms of the building. These are afterwards put up on a large wall paper for members to read and comment on.

From the moment one enters this newly renovated and freshly painted building, owned by Shanghai's workers, until departing, one cannot help but recall the recent past when even the thought of having a place where workers could gather for amusement or information would have been a crime. Today things are different.

* * *

THE big event in the movie world this past month was the showing of the technicolor film, "The Chinese People's Victory." The combined product of Chinese and Russian efforts, this truly fine picture of the fight for a new China is a testimony to the people of China and their People's Liberation Army.

Beginning with colorful shots which show the vastness of China and the bitter life of her people for centuries, the movie shows the beginning of the drive for liberation with a shot of Mao Tse-tung and General Chu Teh joining hands at Chingkan mountain where the first Red Army group was organized. Scenes of Yenan in its early days when the Eighth Route Army went all out against the Japanese invaders show many of the men who are now the nation's leaders.

The heart of the film is devoted to a documentary account of the PLA's campaigns to shake off the Kuomintang strangle-hold. From the frozen plains of the Northeast to the southwest corner of China the PLA rolled forward inflicting defeat after defeat on the American-trained and supplied armies of Chiang Kai-shek.

Although this is a film showing the victorious march of the PLA it is also a testament to the people without whose support no army could have accomplished what the PLA did. Whether in the mountains of Szechuen, or crossing the Yangtze River, or in the sweltering sub-tropics of south China, the people were there to welcome and help their own army.

Aside from minor shortcomings, such as a tendency towards too many battle scenes, the picture is replete with shots which are moving and powerful. An old woman tries to force food on the PLA, a spectacular and colorful Peking celebrates the founding of the government, or the youth of Canton demonstrate with gaily colored costumes and decorations. All speak for the new China in no uncertain terms.

"The Chinese People's Victory" was a gala occasion in Shanghai. It opened at five theaters and played four times a day, beginning on October 1 for three weeks.

* * *

THE number of one-time privately owned mansions now being used by public organizations are a sign of the times in Shanghai.

In the more than 100 years of Shanghai's existence as an important city it has been featured by a violent contrast of wealth and poverty. While the mass of the population eked out an existence crowded together in hovels and straw huts, a minority of foreign taipans, KMT officials, and enormously rich Chinese comparadors and landlords lived in splendor. Chiefly in the foreign settlements were sumptuous mansions with grounds covering as much as a square city block.

The liberation of Shanghai has not meant the confiscation of such dwellings. However, in cases where KMT officials and big generals fled, the buildings often were put to use by public and private organizations for the use of the people. Nurseries and schools have been set up where formerly one family lived in ostentatious luxury.

A typical example of conspicuous consumption being put to public benefit is the present location of the educational workers' union. Situated on large grounds, this mansion, once inhabited by an elderly bachelor, had three garages, quarters for 30 servants and stables which housed 16 horses. Now it is being used for meetings and recreational purposes by Shanghai's thousands of teachers and educational workers.

— *J. S.*

FIGHT FOR CONSOLIDATION AND DEVELOPMENT OF CHINESE PEOPLE'S VICTORY

Premier Chou En-lai's Report Made to the National Committee of the People's Political Consultative Conference on September 30, 1950.

IN commemoration of the first anniversary of the founding of the People's Republic of China, Chou En-lai, Premier of the Government Administration Council of the Central People's Government, made the following report at a meeting of the National Committee of the People's Political Consultative Conference on September 30, 1950.

* * *

A year has elapsed since the founding of the People's Republic of China on October 1, 1949. This has been a year of great victories and swift advance for the Chinese people.

At home, the Chinese people have continued to make great progress in the liberation war and have liberated the whole country except Tibet and Taiwan.

Internationally, we have established diplomatic relations with the Soviet Union and 16 other countries and have signed the Treaty of Friendship, Alliance and Mutual Assistance with the USSR.

Having the internal and external circumstances which provided such a firm foundation, the Central People's Government has led the people throughout the country in carrying out energetic reform and construction in the political, economic and cultural fields. As the people at home and abroad have seen, China's history has undergone more important changes during the past year than during the previous several centuries or even several millennia. The old China is fast disappearing, and the new people's China has assuredly grown up.

Chou En-lai

Let us now, briefly, look back on the past year.

* * *

The Great Victories of the People's Liberation War

WE have traversed the past year under conditions of continuous victories in the people's liberation war. The Chinese people's war of liberation, which began in July 1946, had already achieved fundamental victory on the eve of the founding of the People's Republic of China in 1949. But at that time, the Kuomintang remnant brigands still occupied the South China Area, with Canton as its center; the Southwest China Area, with Chungking as its center, and some islands.

During the past year, the People's Liberation Army liberated all of south China and Fukien province, after the Hengyang-Paoking, Kwangtung, Kwangsi, Pingerhkuan, Hainan campaigns, and the Changchow-Amoy campaign. It later liberated all of southwest China—with the exception of Tibet—in the campaigns of the southwest, south Yunnan and Sichang.

The People's Liberation Army also liberated the Choushan Islands, the Tungshan Islands and other islands. Our army wiped out 203 entire enemy divisions consisting of about 2,180,000 men during this past year.

Our army has thus annihilated 8,070,000 enemy troops during the four years of war since July, 1946. Among the large quantities of trophies captured by our army during those four years of war, the various kinds of artillery pieces alone number 54,430. As we all know, with the exception of a small part manufactured by the Kuomintang reactionaries themselves, most of the guns and other munitions we captured were manufactured and supplied to the Kuomintang reactionaries by the United States. A small part was made by Japan, and this was also handed over to the Kuomintang reactionaries by the surrendering Japanese army through the assistance of the United States.

The Chinese people have annihilated the American-equipped Kuomintang brigand armies throughout China's mainland and won this enormous victory. What lesson can we learn from this? The most important lesson is: Such a big victory can never be an accidental phenomenon of history, but is the necessary outcome of the many revolutionary struggles of the Chinese people during the past century. Such an enormous, swift and thorough victory cannot be conceived apart from the selfless support of millions of people.

This victory of the Chinese people is entirely different from all the "unifications" in China's history. Formerly there were this and that sort of "unifications," but the unifiers were either the oppressors of the people from the start or else became so after. Therefore, they could not achieve a real unification, and such unifications could not but collapse after a little while.

Today the first unification of the Chinese people has emerged. The people themselves have become masters of the Chinese soil, and the rule of the reactionaries in China has been irrevocably overthrown.

Since the enemy annihilated by the Chinese people was armed by the US government, then we can completely affirm that the Chinese people have not only won victory over the enemy at home, but also, over the enemies abroad, i.e., the imperialist interventionists of the United States. If the American imperialists still want to intervene in and invade China with whatever new means and in whatever new forms, they will inevitably meet with the same defeat that befell the Kuomintang.

The struggle between the Chinese people and the remnant Kuomintang reactionaries has not yet come to an end; this is because Taiwan, which is occupied by the reactionary remnants is now under the direct control of the American navy and airforce.

The People's Liberation Army is determined to liberate Taiwan from the grip of the American aggressors and to clear out the lairs of the reactionary brigands of China once and for all. It will be seen that, in the war for the liberation of Taiwan, our strategic position is much better than any enemy's. On our side stands inspired righteousness; our rear is close, vast and consolidated and we are now redoubling our efforts for the final victory.

The People's Liberation Army is also determined to march westward to liberate the Tibetan people and defend the frontiers of China. We are willing to undertake peaceful negotiations to bring about this step, which is necessary to the security of our motherland. The patriots in Tibet have expressly welcomed this, and we hope that the local authorities in Tibet will not hesitate in bringing about a peaceful solution to the question.

The history of the past century and especially of the past 20 and more years of China clearly shows that China has been the important prey of the imperialists brigands of aggression. The victorious Chinese people, therefore, cannot be without a mighty national defense force to protect themselves. We must intensify the building of our national defenses in good time, and always be on guard against the plots of the imperialist enemies to extend their aggressive war. We must build up a powerful people's airforce and navy, so that we may be able to beat back the armed robbers from the air and sea and safeguard our territorial air and sea from infringement. Our people's ground forces must be strengthened continuously so that they can defeat any aggression.

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The Foreign Policy of the People's Republic of China

THE foreign policy of the People's Republic of China has been clearly laid down in the Common Program passed by the Chinese People's Political Consultative Conference. The Common Program stipulates: "The principle of the foreign policy of the People's Republic of China is protection of the independence, freedom, integrity of territory and sovereignty of the country, upholding of lasting international peace and friendly cooperation between the peoples of all countries, and opposition to the imperialist policy of aggression and war."

In the question of establishing diplomatic and trade relations with foreign countries, the Common Program stipulates, "The Central People's Government of the People's Republic of China may, on the basis of equality, mutual benefit and mutual respect for territory and sovereignty, negotiate with foreign governments which have severed relations with the Kuomintang reactionary clique and which adopt a friendly attitude toward the People's Republic of China, and may establish diplomatic relations with them." "The People's Republic of China may restore and develop commercial relations with foreign governments and peoples on a basis of equality and mutual benefit." The foreign affairs of the Central People's Government in the past year were conducted in accordance with these basic principles.

Since the founding of the People's Republic of China, 17 countries have established formal diplomatic relations with our country. They are

the Soviet Union, Bulgaria, Rumania, Hungary, Korea, Czechoslovakia, Poland, Mongolia, Germany, Albania, Burma, India, Viet-Nam, Denmark, Sweden, Switzerland, and Indonesia. Eight other countries, Pakistan, Britain, Ceylon, Norway, Israel, Afghanistan, Finland and the Netherlands have also expressed willingness to establish diplomatic relations with our country. Among them, four countries, Britain, Norway, the Netherlands and Finland are still conducting talks for establishing diplomatic relations with our country.

The People's Republic of China resolutely sides with the world camp of peace and democracy headed by the Soviet Union and has established the closest fraternal relations with the Soviet Union. During Chairman Mao Tse-tung's visit to the Soviet Union, China and the Soviet Union signed the Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance, which is of great world historic significance. Because of this treaty, great peoples of the European and Asiatic continents to the number of nearly 700,000,000 have united in close alliance militarily, economically and culturally, and thus greatly strengthened the power of the two countries to guard against aggression from the east.

Simultaneous with the signing of this treaty or a little later, China and the Soviet Union further signed the Agreement on the Chinese Changchun Railway, Port Arthur and Dairen, the Agreement on the Granting of Credit to the Central People's Government of the People's Republic of China, the Agreement on the Founding of the Sino-Soviet Petroleum Joint Stock Company in Sinkiang, the Agreement on the Founding of the Sino-Soviet Non-ferrous and Rare Metals Joint Stock Company in Sinkiang, the Agreement on the Establishment of the Sino-Soviet Civil Aviation Joint Stock Company, the Agreement on Experts and Trade Agreement. In these agreements, our great neighbor extends much generous assistance to China in the period when she is recovering from her war wounds. The whole Chinese people are greatly elated with the signing and implementation of the treaty and agreements between China and the Soviet Union and express their boundless thanks for the friendship extended to them by the leader of the Soviet Union, Generalissimo Stalin, and the government and people of the Soviet Union.

China has also signed trade contracts and agreements with Poland, Czechoslovakia and Korea. Trade negotiations are underway with Germany and Hungary.

Trade relations have also developed between China and certain capitalist countries. The total amount of China's foreign trade is estimated not only to reach but surpass the original plans.

The problem of establishing diplomatic relations with capitalist countries is more complicated than that of establishing trade relations. Here I may mention, especially, our long drawn out negotiations with Britain, out of which nothing has yet come. The reason for the fruitlessness of the negotiations is that the British government has made known its recognition of the People's Republic of China on the one hand while on the other it agrees to permit the so-called "representatives" of the reactionary rump of the Chinese Kuomintang clique to continue its illegal occupation of China's seat in the United Nations. This makes it difficult to commence formal diplomatic relations between China and Britain. And Britain's extremely unjustifiable and unfriendly attitude toward China residents in Hongkong and other places cannot fail to draw the serious attention of the Central People's Government.

Throughout the Chinese people's war of liberation the US government sided with the enemy of the Chinese people, assisting the Kuomintang reactionaries with all its might in their attacks on the Chinese people. The enmity that the US government harbors toward the Chinese people has increased since the founding of the People's Republic of China.

Despite the just criticisms of the Soviet Union, India, and other countries the US stubbornly obstructs the representatives of the People's Republic of China from attending the United Nations and its various organs, and shamelessly protects the seat of the so-called "representatives" of the Kuomintang reactionary rump. Similarly, the U.S. debars the Chinese representatives from attending the Allied Council for Japan and plots to exclude China and the Soviet Union in concluding a peace treaty with Japan, in order to re-arm Japan and retain America's occupation troops and military bases in Japan.

The US deliberately concocted the assault of the Syngman Rhee gang against the Korean Democratic People's Republic in order to expand its aggression in the east and then, on the pretext of the situation in Korea, dispatched its naval and air forces to invade the Taiwan province of China; announced that the so-called problem of Taiwan's status should be solved by the American-controlled United Nations. Moreover, time after time, it sent its airforce, which is invading Korea to intrude into the air over the Liaotung province of China, strafing and bombing, and sent its naval forces which are invading Korea to bombard Chinese merchant shipping on the high seas.

By these frenzied and violent acts of imperialist aggression, the US government has displayed itself as the most dangerous foe to the People's Republic of China. The US aggressive forces have invaded China's borders and may at any time expand their aggression. MacArthur, Commander-in-Chief of American aggression against Taiwan and Korea, has long ago disclosed the aggressive design of the US government, and is continuing to invent new excuses for extending its aggression.

The Chinese people firmly oppose the aggressive brutalities of America and are determined to liberate Taiwan and other Chinese territory from the clutches of the US aggressors.

The Chinese people closely follow the situation in Korea since she was invaded by the USA. The Korean people and their People's Army are resolute and valorous. Led by Premier Kim Il Sung, they have scored remarkable achievements in resisting the American invaders and have won the sympathy and support of people throughout the world. The Korean people can surely overcome their many difficulties and obtain final victory, on the principle of persistent, long term resistance.

The Chinese are peace-loving people. One hundred and twenty million Chinese have already signed their names to the solemn Stockholm appeal and this signature movement is continuing to develop among the Chinese people. It is obvious that the Chinese people, after liberating the whole territory of their own country, want to rehabilitate and develop their industrial and agricultural production and cultural and educational work in a peaceful environment, free from threats. But if the American aggressors take this as a sign of weakness of the Chinese people, they will commit the same fatal blunder as the Kuomintang reactionaries. The Chinese people enthusiastically love peace, but in order to defend peace, they never have been and never will be afraid to oppose aggressive war. The Chinese people absolutely will not tolerate foreign aggression, nor will they supinely tolerate seeing their neighbors being savagely invaded by imperialists.

Whoever attempts to exclude the nearly 500,000,000 Chinese people from the UN and whoever sets at nought and violates the interest of this one-fourth of mankind in the world and fancies vainly to solve any Far Eastern problem directly concerned with China, arbitrarily, will certainly break their skulls.

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Consolidate the People's Democratic Dictatorship and Prepare for Agrarian Reform Work

THE imperialists and the reactionaries have always underestimated the strength of the Chinese people, because they have been accustomed to regard the liberated new China as they did the old China. They frequently forget that the Chinese people have already secured their own most powerful weapon, that is, the people's democratic dictatorship. This people's democratic dictatorship has already organized its own forces and has crushed the reactionaries who oppose the people.

In the past year, under the leadership of the Central People's Government, there have been established in China: one people's government of major administrative area level and one autonomous people's government directly subordinate to the Central People's Government; four military and administrative committees of major administrative areas; 28 provincial people's governments, nine administrative district people's governments equivalent to provincial level; 12 people's municipalities directly subordinate to the Central People's Government and the major administrative areas; 67 municipal people's governments under the provinces and 2,087 county people's governments. All these organizations of state power are diametrically different in principle from the reactionary Kuomintang organizations of state power which oppressed the people, because they are the instruments of people's democratic dictatorship which represent the interest of the people of every stratum, are linked with the broad masses of the people and suppress only the reactionaries.

Among the people's governments at the various levels, some have been elected by people's conferences of corresponding levels. A few cities and counties have convened people's congresses. Representatives' conferences of all circles have been held in all other cities, 1,707 counties, and 36 Mongolian banners. People's congresses, people's conferences and peasants' representatives conferences have been convened in most of the hsiang (administrative unit embracing several villages—editor) and villages. All these conferences and congresses have achieved good results in uniting various strata, parties, groups and nationalities among the people, and enabling both the government to hear the opinions of the people and the people to understand and supervise the work of the government. People's supervisory organizations at all levels have begun to be established, and their activities have begun, although people's governments at all levels should strengthen their direction in this regard.

It has been proved in the past year that the National Committee of the Chinese People's Political Consultative Conference was an effective organization of the people's democratic united front whereby the various democratic classes, democratic parties and groups, fraternal nationalities and people's organizations could consult. Based upon this experience, 12 provinces, 73 cities and a large number of counties have organized provincial, city and county consultative committees.

The rapid increase in the organized ranks of the people during the past year was another important factor in the effective strengthening of the unity of the Chinese people. The working class in all the major industries and major cities throughout the country have been mainly organized. The trade unions have now a membership of 4,090,000, which is about one-third of the total number of workers and employees in the country. Peasants' associations have been widely established in the newly liberated areas. The membership of peasants' associations has reached 20,000,000 both in east China and central-south China where agrarian reform will be carried out in the present year.

More than 30,000,000 women in all parts of the country have been organized under the leadership of the All-China Democratic Women's Federation. Over 7,000,000 youths throughout the country have been organized, including the 3,010,000 members of the New Democratic Youth League.

The experience of the past year demonstrates the solidarity of China's various democratic classes and democratic parties and groups

in the struggle against their common enemy. In order to strengthen this unity, the Central People's Government and the National Committee of the Chinese People's Political Consultative Conference has, throughout the past year, taken a series of measures to adjust the relationships between the various democratic classes and democratic parties and groups, especially between the working class and the capitalist class. The working class is the leading class in the People's Republic of China. Undoubtedly, ignoring the political and economic interests of the working class cannot be allowed. Nonetheless, since the national bourgeoisie plays an important part in China at the present stage, to unite the national bourgeoisie so as to enable them to take part actively in economic rehabilitation and development is also in the interest of the working class. Henceforth the adjusting of the relationships between the various democratic classes will remain an important task for the people's democratic united front.

The relationships between the various democratic parties and groups and principally the relationships between the Communist Party of China and all fraternal parties are amicable and excellent.

The various important policies which have been carried out by the Central People's Government have all been agreed in thorough consultation among the various democratic parties and groups. Since the directive for strengthening unity and cooperation with non-party people was issued by the Central Committee of the Communist Party of China and after the movement for improving the style of work is developed, such cooperation will be further improved. But on this question, a closed door attitude remains the chief deviation of a number of Communist Party members which must be heeded and overcome in order to consolidate unity between the various democratic parties and groups and non-party democrats. At the same time, we must guard against the tendency of yielding on matters of principle.

China is a multi-national country with the Han nationality as the main body. Under the Kuomintang reactionary rule the relationship between the various nationalities was bad but the founding of the People's Republic of China has brought about a fundamental change to such a relationship. Inner Mongolia has established a people's government of the autonomous region. Sinkiang province has established a coalition government of all nationalities with Han nationals forming only a minority in the government. Regional autonomy in multi-national areas is being realized step by step. People's governments in the multi-national areas are exerting their efforts to find a solution to the historical disputes among the nationalities and to encourage tolerance and mutual help among them.

The Central People's Government is striving to promote hygienic, educational and economic development among the national minorities and is adopting the principle of completely relying on the consciousness and will of the peoples themselves in regard to social reforms within the various nationalities, and is against compulsion to these ends. As to the religious beliefs and other mass customs and habits, the principle of non-interference has been firmly adopted by the People's Government and the People's Liberation Army.

Because these policies have been carried out, trust and amity have begun to be expressed by the various nationalities toward the People's Liberation Army and the Han cadres in the people's government. But what we have done toward uniting the various nationalities is still very little and much remains to be done or to be improved. Therefore we should not be in the least contented.

The people's democratic dictatorship embraces democracy of the people and dictatorship toward the reactionaries. On the one hand the people's democracy needs to be continuously expanded and, on the other, the dictatorship toward the reactionaries needs to be further strengthened.

Although the remnants of the Kuomintang reactionary clique have fled to Taiwan, a big collection of bandits and secret agents have been left on the mainland according to a plan. At its peak the number of Kuomintang bandits reached more than one million, but after the resolute mopping-up actions of the People's Liberation Army in cooperation with the local people during the past year, there are only about 200,000 left. These need to be steadily wiped out so as to eliminate the bandit menace and secure social order in the newly liberated areas.

Great successes have also been recorded in the efforts of the people's public security organs against the secret service organizations. During the past year, 13,797 secret agents were arrested and 175 radio stations unearthed in the country. Moreover, seven cases of international espionage were also brought to light. It should be understood that the struggle against secret agents and spies will not be ended with the ending of the struggles against bandits. Enemies both domestic and foreign, after their failure in the open, armed struggle, will definitely wage secret battle, using all kinds of disguises. This is what the people must be vigilant against and what the people's government must suppress.

Within the past year, there have been achievements in such activities of Chinese people's judiciary as the protection of people's rights, the punishment of bandits, spies and other criminals, the drawing up of the People's Law and the improvement of the legal system and prison administration. But there have also been defects, the chief one being that many local judicial workers have misunderstood the policy of clemency with regard to the suppression of counter-revolutionary elements. They have only shown clemency to the counter-revolutionary elements without suppressing them, so that the masses of people blame them for their "boundless clemency." The masses of people are right in blaming them. The principles set out by Chairman Mao Tse-tung for the treatment of counter-revolutionary elements are to "punish the ringleaders, leave the accomplices alone and award those who do meritorious service." These directives must not be carried out only partially but completely so that the persistent counter-revolutionary elements will be resolutely suppressed. This is one of the chief tasks in consolidating the people's democratic dictatorship.

At present, the most important task in consolidating the people's democratic dictatorship is to carry out land reform in the newly liberated areas of China. The carrying out of land reform will protect the fundamental right to exist of the peasants who constitute about 80 percent of the whole population of China. It will eliminate the landlord class who are the most important social base of counter-revolutionary activities. It will fulfil the fundamental task of implementing the people's democratic dictatorship in China by releasing the agricultural productive power from the shackles of the feudal productive relations and thus prepare the conditions for China's speedy industrialization. To carry out the land reform in the newly liberated areas with a total population of about 300,000,000 is China's second most fierce class struggle, closely following the people's war of liberation. In order to carry out this struggle in a well prepared manner, step by step and in good order, the Central People's Government has issued the Agrarian Reform Law, the regulations for the organization of peasant's associations, the regulations for the organization of people's courts, decisions on the determination of classes in the villages and other documents. Also, it has decided to carry out land reform in an area with a population of 100,000,000 in the winter of 1950, leaving it to be effected in the other areas next year or still later.

In the areas in which land reform is to be carried out this winter, the work of propaganda in accordance with the regulations and documents on land reform, the training of cadres for the land reform and people's courts and the development and reorganization of peasant's associations are now in progress. These steps are indispensable. No exploiting class will spontaneously make its exit from the stage of history and the Chinese landlord class, which has a history of several thousand years, is no exception.

Among the landlord class there are those who are now inventing "theories" in opposition to land reform and the Land Reform Law. We must firmly disprove such "theories" and strengthen our publicity about the main contents of the Land Reform Law and make them generally known in those areas where we are preparing to carry out land reform, and especially in the villages. There are other landlords who are now dispersing their land and property, killing cattle and destroying farm implements, houses, arable land and trees. Such unlawful acts must be firmly prevented and punished. The most important preparation for land reform is the preparation of cadres, and so we must concentrate our main strength on the training of cadres and the consolidation of the peasants' associations.

Only the peasants' associations, led by honest, reliable and active elements among the peasantry, can insure the smooth carrying out of land reform work.

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Centralization of Finance and the Rehabilitation of Economy

ONE of the most urgent tasks which confronted the People's Republic of China and its organs of state power at all levels, in places where war had been concluded was to effect drastic measures to put an end to the extremely chaotic and precarious situation in finance and economy, which were the heritage of long years of the criminal rule of the Kuomintang reactionaries.

The cities taken over by the Chinese people had almost become the big gambling dens of speculators, as a result of the years of continuous inflation and rise in prices. In order to stabilize currency and prices, there had to be a balancing of national expenditure and revenue and a guarantee of sufficient supplies of goods. With stability of currency and prices achieved there had to be readjustment of industry and commerce, improved communications throughout the country in accordance with the new conditions and demands, so that they could serve the restoration of production. In addition, the people's government also had to carry out immediate relief of calamities and unemployment resulting from the Kuomintang reactionary misrule and the war.

These were the tremendous and difficult tasks confronting the people's government. The imperialists repeatedly asserted that the young People's Republic of China would be crushed by these seemingly unsolvable problems and would be forced to ask for their help. But the experiences of the past year proved the imperialist forecasts false. The Chinese people have won victory on the economic front as well as on the military and political fronts.

The Central People's Government after bearing several months' inflation, which was inevitable during the period when the liberation war was expanding, decided last March to make the tremendous effort necessary to increase national revenue and to reduce expenditure, so that the two could approach balance. In order to ensure the implementation of this plan, the Central People's Government swiftly carried through the centralization of control over finance throughout the country, which had never been accomplished before. The plan of the Central People's Government won the warm support of the people throughout the country. Thus, inflation was checked immediately, and since last March there has been no need to issue new currency to meet the financial deficit. On the contrary, the total deposits of the People's Bank of

China increased more than 16 fold by September as compared with December, 1949.

To maintain price stability there must be guarantees for sufficient supply of goods. Although China is an agricultural country, yet under the corrupt Kuomintang reactionary government even grain and cotton needed by China had to be imported. On top of that, the home market was manipulated by bureaucratic capitalists and speculators, making it impossible to stabilize prices. The Central People's Government effected a change in this terrible situation in a fundamental way.

By securing a sufficient supply of foodstuffs, cotton, yarn and cloth, coal, salt and other daily necessities on a nationwide scale, and overcoming the grave difficulties in transportation and in storage, the Central People's Government defeated the disruptions of the speculators, and solved the supply problems for the big cities and devastated areas successfully. Since last March, commodity prices throughout the country have been tending toward stabilization in the main.

Recently owing to the good harvests in the summer and autumn and owing to the reduction of certain imported materials, the discrepancy between the prices of agricultural and industrial products has increased to a certain extent. The Central People's Government is now taking measures to readjust them so that it will not effect the livelihood of peasants and the section of wage earners whose wages are calculated in terms of grain.

As Chairman Mao Tse-tung has taught us, the approaching balance in national revenue and expenditure and the tendency of prices toward stabilization marks only the beginning of a turn for the better, and not yet a fundamental turn for the better.

According to Chairman Mao Tse-tung's instruction, in order to reach a fundamental turn for the better, apart from the completion of land reform, and the large scale economies and reduction in expenditure by government organizations, there must also be the rational readjustment of the existing industry and commerce, so that the industry and commerce based on hoarding and speculative activities are changed into ones suitable for planned rehabilitation and development of production.

In order to solve this problem, the economic administrative organs of the state, the state-owned enterprises, private-owned enterprises, cooperatives and trade union organizations have held a series of conferences and had consultations and discussions on the questions of overcoming planlessness and strengthening the planned nature of production and marketing, in regard to the placing of orders with private enterprises, entrusting them with processing, buying their products, and extending loans to them; in regard to the division of labor between public and private trading, banking and cooperatives, and in regard to overseas remittances and the question of readjustment of labor capital relations. These meetings have achieved preliminary results.

Of course, contradictions exist between the capitalist nature of private economy and thorough planning. But here we must notice that firstly, in all economic branches of prime importance, we have a powerful state economy of a socialist nature, and we have started to develop cooperative economy of a semi-socialist nature. Secondly, private economy in China is under the various forms of leadership of the state economy. Private economy includes the state capitalist economy which is gradually developing and which serves the interest of socialist economy. Therefore we have reason to say, it is possible to make China's economy avoid the anarchic conditions of the past step by step, and to introduce more planning.

The development of cooperatives is beginning to assume important significance on the question of readjustment of the relations of various sectors of the economy. According to the statistics of July this year, cooperatives throughout the country have a total membership of over 20,000,000 and a total capital of 550,000,000,000 dollars. The volume of business of the cooperatives during the first quarter of this year reached 3,850,000,000,000 dollars. The development of cooperatives is mainly in Northeast China, north China and the old liberated areas in east China. The total volume of business of the cooperatives in the Northeast for 1949 amounted to 1,300,000 tons of kaoliang, which is equivalent to 40 percent of the total volume of business of public trading concerns in the Northeast.

At present, the main forms of cooperatives to be developed in our country are the supply and marketing cooperatives in the countryside and the consumers' cooperatives in the cities. The tasks of these two kinds of cooperatives are to protect small producers and consumers partly or entirely from middlemen's exploitations, and to promote the development of production. This is a great event in the economic and political life of the laboring people of our country. The Central People's Government is working out a cooperative law, to expedite the healthy development of the cooperatives throughout the country, and to avoid the mistakes that occurred in the past.

Taken as a whole, economic work in China is still at the stage of rehabilitation. This is because of the long years of war, because the war has not yet been concluded, and because of the lack of necessary prerequisites. We are still lacking in capital for developing industry, in an understanding of the over-all situation and in both cadres and experience.

The Central People's Government has in 1950 invested about 23.9 percent of the state expenditure in economic construction. The figure is bigger than the construction investment of any government in Chinese history, but it is still very small in relation to all the needs of economic construction in the People's Republic of China. This figure will not increase immensely in 1951. It will in effect take three to five years to revive the economy in China before it can be developed systematically. Within this period of three to five years, we should concentrate our strength on the development of several key points which will facilitate the preparation of essential conditions for industrialization, such as capital, the home market and technique.

At the same time, the construction of our national defenses should also occupy appropriate attention. Therefore, the Central People's Government will devote much of its economic investments in such enterprises as water conservancy, railways and communications needed primarily for the development of industry and agriculture, in agriculture and textiles and in the fuel, steel, iron and chemical industries which are primarily needed by all industries.

The Central People's Government planned to produce 120,000,000 tons of grain and 650,000 tons of cotton this year. Now it is estimated that these plans will be fulfilled or even overfulfilled. China has a total of 5,220,000 cotton spindles of which 4,080,000 were in operation last September and 4,280,000 have been operating since September this year. Two hundred thousand more will be put into operation before this year is out. Of the total railways in China, 21,742 kilometers or 88 per cent of China's total rail lines, were opened to traffic by the end of June, 1950. Railways opened to traffic will increase to 22,019 kilometers by the end of this year. The output of coal in the state-owned collieries showed a 37 percent increase from January to August this year compared with the corresponding period last year. During the same period, the available power supply of the state-owned power plants also showed a 31 percent increase over the corresponding time last year, while the power actually consumed also showed a 58 percent increase.

During the past year of intense activity, the Central People's Government has exerted its utmost efforts to relieve famine and unemployment, in addition to checking resolutely the chaotic state of the economy and making a good beginning with rehabilitation work. China suffered serious floods in 1949 which devastated an area of 8,000,000 hectares and brought calamities to 40,000,000 people, including 7,000,000 who were the victims of most serious devastation. This year, flood occurred again in the areas of north Anhwei and Honan provinces and afflicted more than 2,666,000 hectares of land.

To relieve the flood victims directly or indirectly, the Central People's Government appropriated fine grain amounting to 1,120,000 tons from January to September this year and sent large numbers of cadres who are taking every reasonable measure to relieve these victims and enable them to tide over the calamities safely. This is in sharp contrast to the way the flood calamities were dealt with in 1931 by the Kuomintang reactionary government, which allowed vast numbers of people to die.

The Central People's Government has in 1950 invested several hundred thousand tons of fine grain and mobilized several million people to repair and build dykes and irrigation works. This is one of the most important factors in reducing calamities and bringing about a good crop to the whole country. The Central People's Government and the people of the whole country have made joint efforts to relieve more than 400,000 unemployed workers including a number of unemployed intellectuals.

Unemployment is merely a temporary phenomenon of the initial period of our country's economic rehabilitation. This phenomenon has been largely eliminated in Northeast China, and in the coming two or three years, it will also be eliminated in other areas.

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Training of Cadres and Enhancing the Cultural Level

AS in the economic field, rehabilitation has been carried out in China's cultural and educational work in the past year, on the one hand, and creative work begun on the other.

The one year since the founding of the People's Republic of China is a year in which the people throughout the country were swept up in an upsurge of study. The cultural control of the Kuomintang reactionaries, which barred intelligence and created ignorance, has been overthrown. People of all strata from workers to professors, and even many elderly people—joined in spontaneously demanding to view China, the world and themselves with new eyes. In the course of study, the broad masses of people have quickly recognized the new China and the new world as well as the glory of labor and of serving the people.

The People's Government has satisfied the people's demand for study in various ways. The workers and peasants, who previously had little opportunity to study, have now acquired this opportunity. Schools have opened their doors for workers and peasants and their children. Seven hundred thousand manual and nonmanual workers are regularly attending spare time schools, and in 1951 this figure will be more than doubled. More than 10,000,000 peasants have enrolled in winter schools, and next year 5,000,000 peasants will attend regular spare time rural schools.

The construction of a new China demands a great number of cadres with adequate political consciousness and cultural knowledge. The people's government is solving this problem in the following three ways:

First, by raising the cultural level of a large section of the present cadres, particularly those from workers' and peasants' families, including cadres in the People's Liberation Army. By setting up workers' and peasants' middle schools and workers' and peasants' supplementary cultural classes. Or by absorbing those among them with suitable qualifications into various colleges and middle schools.

Second, by training a large number of former government functionaries and the intelligentsia, so that they may discard their old

erroneous political outlook in a relatively short time and acquire the new outlook of serving the people.

Third, by gradually reforming the existing colleges and middle schools, so that they can meet the demands of the people.

This work has already been started during the past year and has already achieved good results. From now on, it will be carried out still more efficiently along these lines in order during the next few years to ensure an unending supply of necessary cadres to the military, political, economic and cultural fronts.

In order to raise the level of the Chinese people's cultural life, the Central People's Government is carrying out the systematic reform and popularization of China's art and publications. Young cinema films of the people's China have rapidly replaced American cinema films; they have been welcomed by a vast audience and are gradually penetrating into the army, the factories and the countryside. The volume of books, periodicals and journals being published has been rapidly increased and their scope of circulation expanded.

While leading the people to fight ignorance, the people's government also led the people in struggling against diseases. During the past year, the people's government has launched large scale anti-epidemic campaigns. The people's government has decided to set up medical centers in every county and district in a few years in order to do away with the long standing unhealthy conditions of the Chinese people.

Although in the first year of its existence the People's Republic of China still encountered various difficulties and had many mistakes and shortcomings in its work, yet it has already displayed its robust vitality and limitless future. Difficulties can be overcome and many of them have already been overcome. Mistakes and shortcomings in its work can be corrected and remedied, which has already been done in many instances. The people have confidence in their own country. Without a doubt, this confidence is justified.

Throughout China's history only one government has in a single year done so much to benefit the people; only one government has driven out so many rapacious "troops" and "government" in a single year and replaced them with a strictly disciplined, kindly people's army and an upright, just people's government; only one government has in a single year wiped out the special privileges of the imperialist countries, exterminated the despicable special service organizations, put an end to the age-old inflation and brought to the people a joyous and flourishing prospect; this government is the Central People's Government.

All the remarkable successes and victories achieved in the first year of the People's Republic of China result from the unity and combined efforts of the people throughout the nation and result from the brilliant leadership of the great leader of the Chinese people—Chairman Mao Tse-tung.

Under the leadership of their own government and leader, the people throughout China will unite as one and exert all their efforts to consolidate and expand these victories.

Long live the People's Republic of China!

Long live the creator and leader of the People's Republic of China—Chairman Mao Tse-tung!

CHEN YUN'S REPORT ON FINANCIAL AND ECONOMIC CONDITIONS AT THE END OF THE FIRST YEAR

FOLLOWING are extracts from a report by Vice-Premier Chen Yun, Chairman of the Committee of Financial and Economic Affairs of the Government Administration Council of China:

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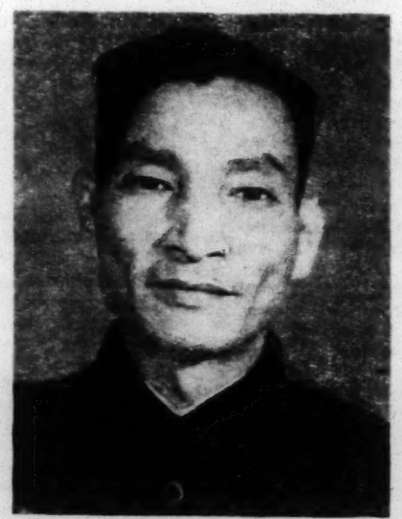
TREMENDOUS changes occurred in the financial and economic situation during the past year.

Nineteen forty-nine was the year of decisive victory in the liberation war, but the financial and economic situation that year was very difficult. The difficulties were two-sided:

On the one hand, as a result of imperialists' aggression and the long-term rule of the KMT reactionaries, large quantities of food and cotton, which were necessary to the people's livelihood, had to be imported from abroad. Water conservancy works had been severely damaged and calamities occurred each year, those of 1949 being the heaviest. For 12 years inflation had prevailed, and, under the influence of the bureaucratic capitalists, a speculators' market took control of industry and commerce.

On the other hand, the financial responsibility of the Central People's Government was very heavy, as a result of the unprecedentedly large-scale advance of the revolutionary army, and also because of our policy of supporting all KMT personnel and troops willing to cease resistance and sharing the food of three between five persons. Not only that, railways had to be restored; Shanghai, under blockade, had to be supplied. The war had disrupted the circulation of goods between the city and the countryside.



Chen Yun

Tax revenue was small and expenditures were large, and so we could not avoid issuing paper money to make up the budgetary deficits. As a result, we solved the problem of carrying on the liberation war and of rehabilitating key points of economy, but, on the other hand, inflation and price fluctuations could not be avoided.

The imperialists and KMT reactionaries predicted that although the liberation war had been won, China's financial and economic difficulties could not be overcome. Therefore the imperialists and the remnants of the KMT reactionaries bombed and blockaded our cities, and conducted extensive propaganda about our calamities in order to intensify our hardship.

But the situation developed entirely contrary to their expectations in the year following the establishment of the People's Republic of China. Under Comrade Mao Tse-tung's leadership, and by relying on all democratic strata and parties in the country as well as on the people's organizations and the support of the whole people, we drew up correct policies in good time, overcame grave difficulties within a brief period, and drastically changed the financial and economic situation.

The Government Administration Council of the Central People's Government published the decision regarding the centralization of financial and economic work on March 3. The main content of this decision is: (1) to centralize control over national revenue and expenditure, (2) to centralize the utilization of materials and resources on a nation-wide basis, (3) to centralize control over currency on a nation-wide basis.

These developments were most instrumental in bringing about the drastic changes in the difficult financial and economic situation. Such centralized control marks a great step forward in our country's history.

People are now saying that the Central People's Government is an efficient government. They wonder how such a measure as the centralized control over currency could be put into effect merely by issuing an order. The reply to this question is very simple. It is because the Central People's Government is a government led by the Communists which wholeheartedly serves the people. Under the leadership of the Communist Party, such things can be done and ought to be done. One of the important reasons for the great fluctuations of prices and devaluation of currency under the reactionary KMT rule was that the bureaucrats, the warlords and the rich and powerful families stole the funds belonging to the state and used them for speculation and market manipulations. The losses of the people became their private bank accounts.

* * *

IN order to stabilize currency and prices, we should first of all strive for a balance in income and expenditure. The cornerstone to balancing the national budget is to economize on expenditure and to readjust the sources of income. Cutting down expenditures can only mean economizing on the expenses of government and army personnel, who are, to their honor, continuing to live frugally on the supply system or on low salaries in order to cut down national expenses.

National revenues come mainly from two sources: from public grain (rural tax in kind) and taxes. The revenue derived from these two sources are approximately equal. In addition, Victory Bonds were issued which, although small in volume, played a large role in calling back and controlling currency.

Although mistakes and shortcomings occurred in the handling of public grain, taxes and state Victory Bonds, we corrected them swiftly. Moreover, owing to the support of the people, we mainly realized our revenue estimates.

As the budget approached a balance and the administration of finance and economy became centralized, the financial situation grew stabilized throughout the country last March. As a direct consequence, a fundamental and qualitative change took place in the price situation, that is, price rises due to inflation disappeared

However, this has solved only one aspect of the price problem. Prices which have been fluctuating for 12 years can only be fully stabilized when the problem of adequate supplies has also been solved. The government has exerted very great efforts in the sphere of grain and cotton, yarn and cloth. It has transported grain on the largest scale known in Chinese history. We can now say that the period of drastic price rises led by grain, yarn and cloth prices, characteristic of the KMT regime, has ended forever if we do not commit any future errors in the matter.

Since March, 1950, the nature of the home market has been changed. This market, once dominated by the speculation of the bureaucratic capitalists to the detriment of the national economy, has been basically transformed into one that serves the people and serves to increase production.

State-owned trade, while assuming the leading role in the home market, has also taken the initiative in the field of international trade in close co-ordination with private importers and exporters. Our foreign trade, which once had a semi-colonial character, now protects the interests of the country. Foreign goods which are unnecessary to China's national economy are no longer imported. In accordance with the principle of protecting but not exploiting the peasants, surplus farm products and by-products are being exported in the largest possible quantity. The century-old phenomenon of an unfavorable balance of foreign trade and exchange also came to an end in 1950.

* * *

IN order to carry out the rehabilitation and development of Chinese industry on a nation-wide scale, some fundamental conditions had to be created first of all.

The first thing was to restore communications, especially railway communications, to meet the needs of the revolutionary war and to permit the interflow of goods between the cities and villages.

Next, agricultural production had to be restored. This would solve our problems of food and industrial materials, cotton in particular, and at the same time provide a broad market for urban industries. Only then can our big cities and textile industries become independent of imperialist countries for their supplies of grain and raw materials. When this has occurred, we can divert the foreign exchange funds that were once used for purchasing grain and cotton (two items which have long stood at the head of the list of China's imports) to the purchase of machinery needed for the country's industrialization.

As the result of the water conservancy work done this year and the campaign launched by the central and local governments against natural calamities, bumper crops have been grown on several million hectares of farmland that were threatened by disaster. In fact, bumper harvests are generally reported throughout the country this year, resulting in an increase of agricultural output. Both grain and cotton production have surpassed the original targets and we are approaching self-sufficiency in cotton and are already completely self-sufficient in grain.

In the industrial sphere, pre-war production levels have been exceeded in certain areas and in certain sectors of industry. In the Northeast, the value of total industrial production in 1950, according to preliminary estimates, will be 193 percent of last year's figure. Such industrial achievements are laying down the conditions for the rehabilitation of our entire industry and for its further development in the next three to five years.

The series of financial and economic measures we mentioned above have given rise to a fundamental realignment in the national economy, that is to say, China's national economy has been directed away from the road of backwardness, semi-colonialism and semi-feudalism to the road of progress, new democracy, independence and self-reliance. This is a historic change. This change has brought about temporary though severe suffering. The basic difficulty is the sudden disappearance of the superficial prosperity of an economy which was riddled by inflation and commercial speculation.

By last summer, the most general problem in the country was that, on the one hand, the financial and economic situation had undergone a change, while on the other hand, there was a general need to readjust industrial and commercial relations.

There are three key aspects to this readjustment, namely: first, readjusting the relations between public and private enterprise; second, readjusting the relations between labor and capital; and third, readjusting the relations between production and distribution.

There are two basic aspects to readjusting relations between public and private enterprise: first, readjusting relations between public and private industry and commerce; and second, readjusting the tax burden.

The purpose of readjusting relations between public and private enterprise is to assure the leading role of the state economy, while allowing private capitalist economy to play its proper part under the leadership of the state economy. The leading position of the state economy has in the main been assured, and, therefore, one of the tasks now of the state economy is to let private economy "play its proper part." The main way to achieve this is to raise the purchasing power of the peasants. However, certain key private industry enterprises are helped by placing orders with them, giving them processing work and assisting them in other ways. In this way, they can gear their production to the needs of the nation's economy instead of producing for commercial speculation. They will also derive legitimate profits from this kind of rational production.

Concerning private commerce, state-owned trading enterprises provide an outlet at fair prices on the condition that they will not engage in speculative activities and that, together with state trading enterprises, they assist in circulating goods between the city and countryside, and between different areas in China and between China and foreign countries.

The true purpose of the readjustments in tax burden is to lighten the burden of the people in a suitable way while safeguarding the needs of the national finances. In agriculture, the rates applied in the summer and autumn grain deliveries this year in the newly liberated areas were reduced from an average rate, which worked out at 17 percent of the total agricultural income last year, to 13 percent; in industry and commerce, the number of goods subject to tax has been reduced from 1,136 to 358; taxes on profits in industry and commerce are now collected according to definite tariffs; and the tax on salt has been reduced by one-half. All these measures have yielded good results.

Fundamentally, labor-capital relations have now been placed on the right track. During the past year, two deviations occurred: on the one hand, some capitalists stubbornly opposed the liberation of the working class, and denied them their necessary democratic rights; on the other hand, there were also some workers who put forward excessive demands to the capitalists.

Our solution to this problem has been based on three fundamental principles: first, the democratic rights of the working class must be recognized; second, the development of production is beneficial to the national economy, and on this point, both labor and capital serve the people and both are meritorious; third, the problems between labor and capital must be solved by consultative methods and then incorporated in more consolidated contractual relationships.

Finally, the relations between production and marketing is a question of how to overcome gradually anarchic methods of production.

Of course, adjustment of relations between production and marketing is the most complicated question in the reorganization of our economy. It is not yet possible to achieve highly planned production for the time being. But, since commercial speculation has been brought under control, preliminary planning in production is, relatively, already possible. It should be possible to attain balance between production and marketing by degrees with the solving of the above mentioned three questions, and plus good harvests throughout the country, China's economic situation will be greatly improved.

* * *

THE changes that have occurred during the past year have been tremendous. A historic transformation has been started in the people's economy of China. The changes once more prove the brilliant leadership of Chairman Mao Tse-tung at a crucial moment.

Under the correct leadership of Chairman Mao Tse-tung, and, on the foundation of the great victories of the revolutionary war and the people's regime, the Chinese people have displayed their great potential in financial and economic work. With unusual speed, they have passed the first difficult stage in financial and economic work and attained initial results in the turn for the better in the financial and economic situation.

Here we must stress that the experiences of the Soviet Union have greatly helped us and we are very grateful for this. To learn humbly from Soviet experience must be our regular practice in the future.

The lessons of the past year are plentiful. The chief lessons are: that the conservative attitude of not being fully aware of the great role the people's regime can play in financial and economic work and of underestimating the potentialities of China's economy, is erroneous.

The facts of the past year prove that, with a proper estimation of the potentialities of China's manpower and resources and on the secure foundation of a people's regime, we are able to accomplish great creative work.

On the other hand we must realize that China's social economy is complicated. We are living in an era of the joint dictatorship of the four democratic classes under the leadership of the working class, an era in which five kinds of economy exist simultaneously. All measures taken in the financial and economic fields must be carried out under the leadership of the state-owned socialist sector of the economy to facilitate centralized planning, taking into account both public and private interests and carrying out division and co-ordination of labor. The leadership of the state-owned economy must be recognized. This is an unshakable principle. Moreover, the other four kinds of economy, namely, state-capitalist economy jointly operated by the state and private persons, co-operative economy of a semi-socialist nature, private capitalist economy and the individual economy of the peasants and small handicraftsmen must be enabled to play their respective parts.

Crude or one-sided methods of work in violation of these principles will not work. We must proceed with our work by degrees, according to Chairman Mao Tse-tung's advice on progressing steadily.

The financial and economic situation of 1951, in general, is estimated to be better than that of 1950. This is because we have the possibility of working in a more planned way than we could this year. But the threat of a new war provoked by the American imperialists is growing. We should be fully vigilant concerning it. We must strive for the best, and be prepared for the worst. Thus we shall be in an invincible position to forge ahead steadily for the achievement of a continuous and radical improvement in our financial and economic situation.

— *HSINHUA TRANSLATION*

Documents and Speeches

Copies of the China Weekly Review *containing translations of the following documents and speeches are still available for those readers who wish to keep a complete file of important speeches and statements of the new China's leaders, as well as of all major laws and regulations put into effect during the past year:*

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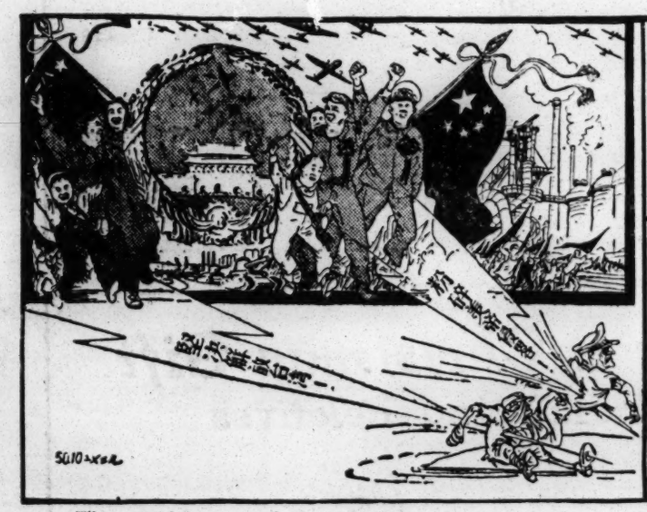
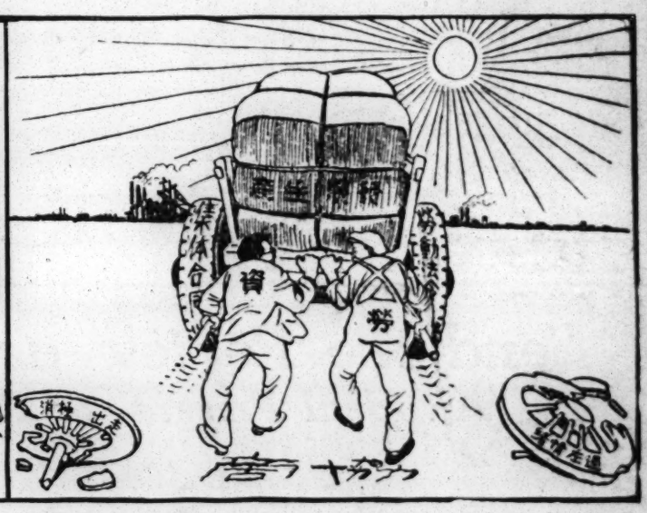
CHINESE CARTOONISTS' VIEWS

The UN Security Council decides to discuss American aggression in Taiwan

Cloaked in an American garb, Japanese militarism tramples on the Potsdam Declaration



The people's strength is invincible against American imperialist aggression



Capital casts aside excessive exploitation and labor does away with exaggerated "leftism" to cooperate in developing China's production

From their bases in Asia the American military look at the rise of a new China

Acheson's peace pose exposed by aggression on Taiwan

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